BRITISH COLUMBIA

Ministry of Finance and
Corporate Relations

Public Accounts
1999 / 2000

100-07025/

Public Accounts

For the Fiscal Year Ended March 31, 2000

BRITISH COLUMBIA

Ministry of Finance and Corporate Relations
Office of the Comptroller General

1999
2000

Canadian Cataloguing in Publication Data

British Columbia. Ministry of Finance and
Corporate Relations.
Public accounts.—1987/88–

Annual.
Report year ends Mar. 31.
Continues: British Columbia. Ministry of Finance and Corporate Relations. Public accounts of British Columbia.
ISSN 0382–2001
ISSN 1187–8657 = Public accounts—British Columbia. Ministry of Finance and Corporate Relations

1. British Columbia — Appropriations and expenditures—Statistics—Periodicals. 2. Revenue —British Columbia—Statistics—Periodicals. 3. Finance, Public—British Columbia—Accounting —Periodicals. I. Title.

HJ13.B74 354.711'72 CP92–89013–X

August 15, 2000
Victoria, British Columbia

Lieutenant Governor of the Province of British Columbia

MAY IT PLEASE YOUR HONOUR:

The undersigned has the honour to present the Public Accounts of the Province of British Columbia for the fiscal year ended March 31, 2000.

PAUL RAMSEY
Minister of Finance
and Corporate Relations

Ministry of Finance
and Corporate Relations
Victoria, British Columbia
August 15, 2000

Honourable PAUL RAMSEY
Minister of Finance and Corporate Relations

I have the honour to submit herewith the Public Accounts of the Province of British Columbia for the fiscal year ended March 31, 2000.

Respectfully submitted,

ARN VAN IERSEL
Comptroller General

British Columbia's Public Accounts

Setting The Course

British Columbia's Public Accounts are designed to present financial statements that fully and appropriately disclose the financial position and operations of the government. In cooperation with the Auditor General and the Select Standing Committee on Public Accounts, the government continues to make improvements to better meet the needs of all users.

The *Budget Transparency and Accountability Act* (BTAA) was passed this year by the Legislature. It makes the province a leader in financial reporting by setting fixed reporting dates for the Public Accounts and Quarterly financial statements. It also calls for the preparation of performance plans and performance measures.

The BTAA requires the Public Accounts to be completed by August 31st of each year. I am pleased to say that, due to the exemplary efforts of our staff and those of the Auditor General, we have achieved this goal.

Also, per the BTAA, we have made some major changes to the structure of the Public Accounts. First, we have moved to the Summary Financial Statements as the one official "bottom line" for government. The Consolidated Revenue Fund continues to exist as an entity, and is included in these statements, but no longer has separate audited statements.

Second, the structure of the Estimates and the Public Accounts, have been revised to more closely follow one another for comparison purposes. The Estimates are the government's financial plan and the Public Accounts are the report on that plan. Both documents now are on a summary basis with British Columbia in the forefront in Canada on summary budgeting and reporting.

Third, the 1999/00 Public Accounts further include a new section "Provincial Debt Summary" to provide readers with more information on debt and how the province compares with other provincial governments. There continues to be a separate Debt Statistics report which is normally released at the time of these statements.

British Columbia continues to lead the provinces on the capitalization of tangible capital assets. Capitalized assets, of the Summary Financial Statements, now include seven different asset classes with a value of $10.2 billion. The largest asset class, added in the last year, was highway infrastructure, valued at $5.9 billion. We expect to complete our multi–year program of capitalization by fiscal year 2001/02.

The Summary Financial Statements reporting entity includes four new organizations. While the Auditor General retains his reservation with respect to the exclusion of Schools, Universities, Colleges, and Hospitals, we continue to publish unaudited expanded financial statements as supplementary information. We await further developments on this issue in other provinces, and with the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants, to see what the most appropriate accounting presentation should be.

In order to improve the timeliness and usefulness of information provided in the Public Accounts, the financial statements of the organizations included in the Summary Financial Statements and the Detailed Schedule of Payments are included on the Internet at www.fin.gov.bc.ca. A browser is included to improve search capabilities.

The Ministry of Finance and Corporate Relations looks forward to continuing its work on the Public Accounts with the Select Standing Committee on Public Accounts and the Office of the Auditor General. Effective May of this year, Wayne Strelioff replaced George Morfitt as our auditor. We look forward to a long and productive relationship.

If you have any comments or questions on the Public Accounts, please contact me by mail at PO BOX 9413 STN PROV GOVT, VICTORIA BC V8W 9V1, by email at Arn.vanIersel@gems8.gov.bc.ca, by telephone (250) 387–6692 or fax (250) 356-2001.

ARN VAN IERSEL
Comptroller General

Contents

Overview

Summary Overview

Summary Accounts Surplus (Deficit) 9

Summary Accounts Accumulated Surplus (Deficit) 9

Provincial Financial Reporting Overview

Principles of Consolidation 11

Detailed Summary Accounts Surplus (Deficit) 12

Reconciliation of Summary Accounts Net Revenue/Expense to Gross Revenue/Expense 13

Summary Accounts Staff Utilization 13

Government Accounting Policies 14

Definitions 14

Summary Financial Statements

Report of the Auditor General of British Columbia 17

Statement of Responsibility for the Summary Financial Statements of the Province of British Columbia 21

Balance Sheet 23

Statement of Operations 24

Statement of Changes in Cash and Temporary Investments 25

Notes to Summary Financial Statements 27

Reporting Entity 54

Balance Sheet by Sector 56

Statement of Operations by Sector 58

Statement of Self–Supported Crown Corporations and Agencies Summary of Financial Position 59

Statement of Self–Supported Crown Corporations and Agencies Summary of Results of Operations and Statement of Equity 60

Statement of Tangible Capital Assets 61

Statement of Guaranteed Debt 62

Supplementary Information (Unaudited)

Adjusted Net Income of Crown Corporations and Agencies 67

Schedule of Impact of Change in Reporting Entity on the Balance Sheet 69

Schedule of Impact of Change in Reporting Entity on the Statement of Operations 70

Summary of Health Organizations

Balance Sheet 71

Statement of Operations 73

Summary of Education Organizations

Balance Sheet 74

Statement of Operations 76

Consolidated Revenue Fund Extracts (Unaudited)

Operating Result 79

Schedule of Net Revenue by Source 80

Schedule of Comparison of Estimated Expenses to Actual Expenses 83

Schedule of Financing Transactions 85

Schedule of Information Required Under Section 10(c)(iv)(v) and (vi) of the Financial Administration Act 86

Provincial Debt Summary

Overview of Provincial Debt (Unaudited) 89

Provincial Net Debt (Unaudited) 90

Change in Provincial Net Debt (Unaudited) 91

Reconciliation of Summary Accounts Deficit to Change in Taxpayer–Supported Debt and Total Debt (Unaudited) 92

Reconciliation of Total Debt to the Summary Financial Statement Debt (Unaudited) 92

Comparison to Budget (Unaudited) 93

Interprovincial Comparison of Taxpayer–Supported Debt as a Percentage of Gross Domestic Product (Unaudited) 94

Report of the Auditor General of British Columbia on the Summary of Provincial Net Debt, Key Indicators of Provincial Debt, and Summary of Key Benchmarks 95

Summary of Provincial Net Debt 97

Key Indicators of Provincial Debt 98

Summary of Key Benchmarks 99

Public Accounts Content

Overview—provides a written commentary on the Summary Financial Statements plus additional information on the financial performance of the government.

Summary Financial Statements—these audited statements have been prepared to disclose the financial impact of the government's activities. They aggregate the Consolidated Revenue Fund and government organizations (taxpayer–supported Crown corporations and agencies) and government enterprises (self–supported Crown corporations and agencies).

Supplementary Information (Unaudited)—these supplementary schedules provide additional information on the results of the Health and Education Sectors (schools, universities, colleges and institutes, and hospitals) which are outside the government reporting entity. They each are part of a province–wide program but are locally based and have an initial accountability to a local board.

Consolidated Revenue Fund Extracts (Unaudited)—the Consolidated Revenue Fund (CRF) reflects the core operations of the province as represented by the operations of government ministries and legislative offices. Its statements are included in an abridged form. The CRF Extracts include a summary of CRF operating results, schedule of net revenue by source, schedule of expenses, schedule of financing transactions and a schedule of write-off, remission and forgiveness, as required by statute.

Provincial Debt Summary—presents schedules and statements that provide further details on provincial debt and reconcile the Summary Financial Statements to the province's total debt as reported in the Debt Statistics report. Also included are the audited Summary of Provincial Net Debt, Summary of Key Benchmarks and Key Indicators of Provincial Debt.

This publication is available on the Internet at: www.fin.gov.bc.ca

Additional Information Available

The following information is available only on the Internet at: www.fin.gov.bc.ca

Consolidated Revenue Fund Schedules—this section contains schedules that provide details of financial activities of the province's Consolidated Revenue Fund, including details of expenses by ministerial appropriations, together with an analysis of statutory appropriations, Special Accounts and Special Funds, and financing transactions.

Detailed Schedules of Payments—this section contains detailed schedules of salaries, wages, travel expenses, grants and other payments.

Financial Statements of Crown Corporations and Agencies—this section contains a summary of the audited financial statements of Crown corporations and agencies included in the reporting entity.

Trust Funds Financial Statements—this section contains the audited financial statements of the pension, superannuation and long–term disability funds administered by the government. A summary of financial information for trust funds is also included in this section.

Summaries of Financial Statements of Corporations and Agencies to which the Financial Information Act applies—this section contains summaries of the financial statements of corporations, associations, boards, commissions, societies and public bodies required to report under the *Financial Information Act* (R.S.B.C. 1996, chap. 140, sec. 2).

Summary Overview

Summary Accounts Surplus (Deficit) for the Fiscal Year Ended March 31, 2000

In Millions

	1999/00 Budget	1999/00 Actual	1998/99 Actual
Consolidated Revenue Fund	$	$	$
Revenue	20,155	21,846	20,306
Expense	(21,045)	(22,200)	(20,587)
Consolidated Revenue Fund operating result	(890)	(354)	(281)
Crown Corporations and Agencies			
Taxpayer–supported Crown corporations and agencies	(685)	596	(817)
Self–supported Crown corporations and agencies (net of dividends paid to the Consolidated Revenue Fund)	46	(190)	95
Net Crown corporations and agencies' operating result	(639)	406	(722)
Summary accounts surplus (deficit)	**(1,529)**	**52**	**(1,003)**

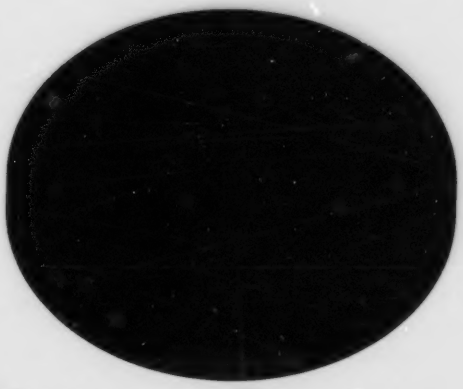
Summary Accounts Accumulated Surplus (Deficit) for the Fiscal Year Ended March 31, 2000

	1999/00 Actual	1998/99 Actual
	$	$
Summary accounts accumulated surplus (deficit)—beginning of year	(4,992)	(10,398)
Adjustments[1]		5,772
Summary accounts accumulated surplus (deficit)—beginning of year—as restated	(4,992)	(4,626)
Summary accounts surplus (deficit)	52	(1,003)
Prepaid capital advance adjustment		637
Summary accounts accumulated surplus (deficit)—end of year	**(4,940)**	**(4,992)**

[1] *See* Note 24 Net Equity (Deficiency) of the Summary Financial Statements for additional information.

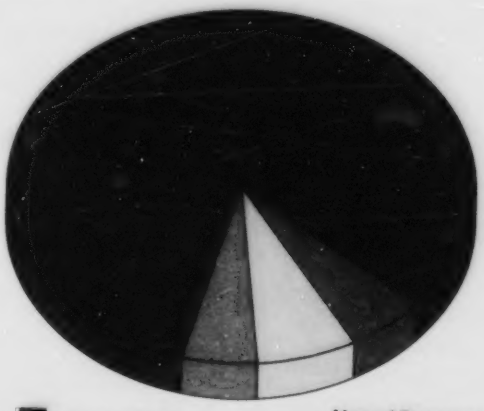
Total revenue in 1999/00 (both core government and Crown corporations) was $24,594 million or $1,214 million more than in 1998/99. Increases were mainly in: natural resources ($806 million); contributions from the federal government ($459 million); taxation ($224 million); miscellaneous ($97 million); and recoveries ($17 million). These increases were offset by decreases in: net earnings of self-supported Crown corporations and agencies ($225 million); fees and licences ($114 million); and investment earnings ($50 million).

Revenue



- Taxation 55.8%
- Natural Resources 11.5%
- Fees and Licences 8.0%
- Investment Earnings 0.8%
- Miscellaneous 2.3%
- Net earnings of self-supported Crown corporations and agencies 5.3%
- Contributions from the Federal Government 11.0%
- Recoveries 5.3%

Expense



- Health 32.9%
- Social Services 12.7%
- Education 24.7%
- Protection of Persons and Property 5.0%
- Transportation 6.9%
- Natural Resources and Economic Development 5.8%
- Other 3.2%
- General Government 1.6%
- Interest 7.2%

Total operating expenses, including interest, were $24,542 million, an increase of $159 million over 1998/99. The expense increase was due primarily to increases in: health ($554 million); education ($175 million); and protection of persons and property ($156 million). The increases in expenses were offset by decreases in expenses for: transportation ($358 million); interest ($201 million); natural resources and economic development ($97 million); general government ($33 million); social services ($32 million); and other ($5 million).

Provincial Financial Reporting Overview

The province publishes financial statements, showing its financial position, in terms of assets and liabilities; the results of operations, in terms of revenues and expenses; and the change in financial position, in terms of the sources and uses of financial resources. These are general purpose statements that serve, to the extent possible, the needs of a variety of users. The statements are audited and issued annually. Although addressed to the Legislature, they are available to all interested parties.

The Public Accounts in which these financial statements are published provide information at various levels of responsibility.

Prior to fiscal 1999/00, the Consolidated Revenue Fund (CRF) Financial Statements were considered the focus of the province's Public Accounts. New legislation in the form of the *Budget Transparency and Accountability Act* (Bill 2) changed the focus of the government's financial reporting from the CRF to the Summary Financial Statements. The Summary Financial Statements are intended to provide a broad overview on the financial position and responsibilities of the government and its Crown entities. Budgeting has been prepared on a summary basis beginning fiscal 2000/01.

The Public Accounts are printed in one volume and include the Overview, the Summary Financial Statements, Supplementary Information, the Consolidated Revenue Fund Extracts, and the Provincial Debt Summary. Additional information is available to the public on the Internet at: www.fin.gov.bc.ca.

Principles of Consolidation

Crown entities are ultimately classified as taxpayer–supported or self–supported. The method used to consolidate their results with the rest of government is determined by that classification.

A taxpayer–supported entity is defined as a government organization that is accountable for the administration of its financial affairs and resources either to a minister of the government or directly to the Legislature, and is owned or controlled by the government with certain specified exceptions (*see* Reporting Entity definition on page 27).

A self–supported entity is a government enterprise that sells goods and/or services to persons outside the government entity and can, in the normal course of its business, maintain its operations and meet its liabilities from revenue derived from sources outside the government reporting entity.

The methods of consolidation used to prepare the Summary Financial Statements are either "full consolidation" or "modified equity consolidation." Full consolidation is used for taxpayer–supported Crown corporations and agencies while modified equity consolidation is used for self–supported Crown corporations and agencies.

For full consolidation, the government adjusts the accounts of taxpayer–supported Crown corporations and agencies to be consistent with the accounting policies of the CRF. Operating and financial results are combined on a "line–by–line" basis. Gross revenue and expense of the Summary Financial Statements, therefore, include the total amounts of the CRF and the taxpayer–supported Crown corporations and agencies as well as their assets and liabilities. Amounts transferred or owed between these entities are eliminated from the statement totals.

For modified equity consolidation, there is no adjustment to conform to the government's accounting policies. The only eliminations are the profit element in inter–entity transactions and certain increases in contributed surplus. Otherwise, the original investment of the government is included at cost and adjusted annually to include the net earnings/losses and other net equity changes of the enterprises.

Pages 54 and 55 list the individual Crown corporations and agencies that are fully consolidated, by sector, and those recorded on the modified equity basis.

On the next page is a reconciliation of the Consolidated Revenue Fund and Estimates for 1999/00 to the Summary Financial Statements.

Detailed Summary Accounts Surplus (Deficit) for Fiscal Years Ended March 31

	In Millions				
	1999/00 Budget[1]	1999/00 Actual	1998/99 Actual	1997/98 Actual[2]	1996/97 Actual[2]
Consolidated Revenue Fund	$	$	$	$	$
Operating result	(890)	(354)	(281)	(151)	(337)
Taxpayer–supported Crown Corporations and Agencies (*See* pages 67 to 68):					
BC Transportation Financing Authority	4	22	(114)	52	25
British Columbia Buildings Corporation	75	45	49	39	39
British Columbia Ferry Corporation	(51)	(299)	(114)	(59)	(76)
Forest Renewal BC	(243)	1	(265)	(88)	105
Other	25	(44)	9	40	(21)
	(190)	(275)	(435)	(16)	72
Net transfers from (to) the Consolidated Revenue Fund	(246)	(78)	(14)	(20)	(10)
Other accounting adjustments[3]	(249)	949	(368)	(309)	(425)
Total taxpayer–supported Crown corporations and agencies	(685)	596	(817)	(345)	(363)
Self–supported Crown Corporations and Agencies (*See* page 68):					
British Columbia Hydro and Power Authority	417	416	395	408	339
British Columbia Liquor Distribution Branch	620	617	616	606	587
British Columbia Lottery Corporation	510	532	456	290	273
British Columbia Railway Company[4]	32	(582)	24	40	36
Insurance Corporation of British Columbia	(7)	96	74	14	(135)
Other	(7)	1	(23)	(24)	(8)
	1,565	1,080	1,542	1,334	1,092
Net transfers from (to) the Consolidated Revenue Fund	(1,433)	(1,376)	(1,348)	(1,260)	(1,138)
Other accounting adjustments[5]	(86)	106	(99)	(8)	(7)
Total self–supported Crown corporations and agencies	46	(190)	95	66	(53)
Summary accounts surplus (deficit)	**(1,529)**	**52**	**(1,003)**	**(430)**	**(753)**

[1]Per Budget 2000. For the 1999/00 budget, only aggregate estimates were prepared. Detailed budget estimates are based on forecasts prepared by the Ministry of Finance and Corporate Relations.

[2]Figures have not been restated to reflect the government's accounting policies in effect March 31, 2000.

[3]Fiscal 1999/00 includes adjustments made to eliminate: (a) amortization of deferred capital contribution ($200 million) by BC Transportation Financing Authority; and, (b) Consolidated Revenue Fund expenses resulting from debt forgiven by the province (British Columbia Ferry Corporation $1.08 billion and Vancouver Trade and Convention Centre Authority $70 million).

[4]Fiscal 1999/00 includes a $617 million write–down of British Columbia Railway Company's investment in rail assets.

[5]Fiscal 1999/00 includes transfers of British Columbia Lottery Corporation revenue to charities and local governments, adjustments to the British Columbia Hydro and Power Authority rate stabilization account, and realization of capital gains by the Insurance Corporation of British Columbia in its portfolio investments.

Reconciliation of Summary Accounts
Net Revenue / Expense to Gross Revenue / Expense
for the Fiscal Year Ended March 31, 2000

In Millions

	2000			1999
	Revenue $	Expense $	Net Surplus (Deficit) $	Net Surplus (Deficit) $
Consolidated Revenue Fund	21,846	22,200	(354)	(281)
Consolidated Revenue Fund recoveries[1]	2,519	2,519		
Gross Consolidated Revenue Fund[2]	24,365	24,719	(354)	(281)
Taxpayer–supported Crown corporations and agencies[3]	2,549	2,958	(409)	(759)
Self–supported Crown corporations and agencies[4]	1,295		1,295	1,520
Adjustments to eliminate transfers between organizations and coordinate accounting policies	(3,615)	(3,135)	(480)	(1,483)
Summary accounts gross revenue/expense for the year ended March 31, 2000	**24,594**	**24,542**	**52**	**(1,003)**
Summary accounts gross revenue/expense for the year ended March 31, 1999	**23,380**	**24,383**	**(1,003)**	

[1]The Consolidated Revenue Fund (CRF) recoveries represent amounts earned and applied against expenses. Recoveries include costs and amounts recovered from outside the CRF, the offset for commissions paid for revenue collection, and bad debt expense for various revenue accounts.

[2]Represents the CRF total revenue and expense after adding recoveries to show total spending.

[3]Represents the revenue and expense of taxpayer–supported Crown corporations and agencies fully consolidated into the government reporting entity.

[4]Represents the net revenue (after deducting expenses) of self–supported Crown corporations and agencies brought into the government reporting entity on a modified equity basis.

Summary Accounts Staff Utilization[1]
for the Fiscal Year Ended March 31, 2000

Consolidated Revenue Fund (CRF)[2]	32,801
Taxpayer–supported Crown corporations and agencies[3]	9,527
CRF employees funded by Crown corporations and agencies[4]	305
Total staff utilization	**42,633**

[1]Staff utilization is the full time equivalent of the number of persons employed in the fiscal year whose salaries are paid by taxpayer–supported entities within the Summary Accounts.

[2]*See* the Consolidated Revenue Fund Schedules at www.fin.gov.bc.ca for details of amounts included in this total.

[3]*See* financial statements of Crown corporations and agencies at www.fin.gov.bc.ca for details of amounts included in this total.

[4]This is comprised of 211 employees of the Ministry of Forests, and 94 employees of the Ministry of Environment, Lands and Parks who are funded by Crown corporations and agencies.

Government Accounting Policies

The government continues to amend its accounting policies towards the implementation of full accrual accounting.

Tangible Capital Assets

As part of a long–term plan, most assets held by the government and government organizations have been capitalized (recorded on the Balance Sheet) and are amortized as appropriate to the nature and use of each asset type. The province has capitalized the following asset groups: certain land, vehicles, ferries, highway infrastructure, buildings, tenant improvements, heavy equipment, operating equipment, transportation equipment, mainframe, mini, and micro–computer systems.

The approved process is to capitalize and amortize those classes of assets for which estimated or actual values can be readily ascertained. Decisions on the remaining asset classes under consideration are expected to be made within the next fiscal year in accordance with the process agreed with the Office of the Auditor General.

Until April 1, 1999, the province expensed the costs of highway infrastructure, heavy equipment and operating equipment as acquired. Effective that date, these assets were capitalized and are now being amortized over their useful lives.

Capitalizing tangible capital assets does not impact the amount of debt reported by the province. It is now easier to determine which portion of the debt is attributable to operating deficits and how much was borrowed in order to build or acquire tangible capital assets. As capitalization proceeds, this breakdown will become more accurate. Capitalization provides better program costing since it ensures costs are matched to periods when service is provided.

The audited Summary Financial Statements Note 15 (*see* page 36) and the audited Statement of Tangible Capital Assets (*see* page 61) provide details of the government's current best estimate of its inventory of tangible capital assets.

Pension Expense

The government has changed its method of calculating its pension expense to agree with the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants recommendations. Previously, it has used the cash payments to estimate its pension expense, adjusted by an amortization of the change in unfunded pension liability and the impact of any plan amendments in the fiscal year.

The new method of calculating will include an estimate of the earned employee benefits and the net interest earnings of the pension plan in its calculated expense total rather than the cash payments. The impact on the 1999/00 fiscal year is a $352 million (1999: $187 million) reduction in total expenses.

Definitions

Summary Accounts—the financial position and operating results of the government reporting entity including the Consolidated Revenue Fund and Crown corporations and agencies; the amounts represented by the Summary Financial Statements of the government.

Consolidated Revenue Fund (CRF)—includes the taxpayer–supported activities of the General Fund and special funds of government through which the government delivers central government programs. It does not include the activities of government operated through Crown corporations.

Taxpayer–supported Crown corporations and agencies (government organizations)—include all organizations outside the Consolidated Revenue Fund that are accountable for the administration of their financial affairs and resources either to a minister of the government or directly to the Legislature, are owned or controlled by the government and do not meet the criteria for being self–supported. This also includes the government's interest in government partnerships that are not government business partnerships.

Government partnership—a contractual arrangement between the government and a party or parties outside the government reporting entity that has all the following characteristics:

(i) the partners cooperate toward achieving significant, clearly defined common goals

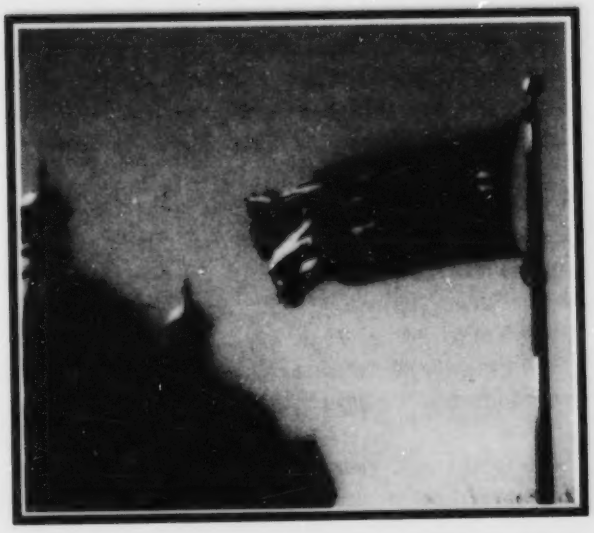
(ii) the partners make a financial investment in the government partnership

(iii) the partners share control of decisions related to the financial and operating policies of the government partnership on an ongoing basis, and

(iv) the partners share, on an equitable basis, significant risks and benefits associated with the operation.

Self–supported Crown corporations and agencies (government enterprises)—include all Crown corporations or agencies that are accountable for the administration of their financial affairs and resources either to a minister of the government or directly to the Legislature and are owned or controlled by the government. In addition, they must also carry on a business that sells goods and/or services to persons outside the reporting entity as their principal activity and maintain operations and meet liabilities from revenue received outside the reporting entity in the normal course of operations. This also includes the government's interest in a government business partnership.

Summary Financial Statements



Public Accounts
1999/2000

Report of the Auditor General of British Columbia

SUMMARY FINANCIAL STATEMENTS OF THE GOVERNMENT OF THE PROVINCE OF BRITISH COLUMBIA

To the Legislative Assembly of the Province of British Columbia

I have audited the balance sheet of the Government of the Province of British Columbia as at March 31, 2000 and the statements of operations and of changes in cash and temporary investments for the year then ended. These financial statements are the responsibility of the Government. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Government, as well as evaluating the overall financial statement presentation.

As required by section 10(2) of the *Auditor General Act*, I advise Members of the Legislative Assembly these financial statements are presented in accordance with the stated accounting policies and on a basis consistent with that applied to the comparative amounts of the preceding year. In addition, I advise that I have been provided all of the information I required.

Reservation

In note 1 to these financial statements, the Government reports that its stated accounting policies are not fully consistent with generally accepted accounting principles for senior governments as recommended by The Canadian Institute of Chartered Accountants. Consequently, these financial statements do not include the complete financial results of school districts, universities, colleges and institutes, public health care organizations, and regional hospital districts.

. . . 2

Had a complete accounting been provided as at March 31, 2000, (as disclosed in note 1c), total assets would increase by $4,718 million ($4,467 million at March 31, 1999), total liabilities would increase by $2,147 million ($1,886 million at March 31, 1999), and the net deficiency would decrease by $2,571 million ($2,581 million at March 31, 1999). Similarly, for the year ended March 31, 2000, total revenues would increase by $1,881 million ($1,704 million for 1999), total expenses would increase by $1,894 ($1,646 million for 1999), and the annual surplus would decrease by $13 million (deficit decrease of $58 million for 1999).

Opinion

In my opinion, except for the effects of my reservation explained in the preceding paragraphs, these financial statements present fairly, in all material respects, the financial position of the Government of the Province of British Columbia as at March 31, 2000, and the results of its operations and the changes in its cash and temporary investments for the year then ended, in accordance with generally accepted accounting principles for senior governments as recommended by The Canadian Institute of Chartered Accountants.

Other comments

The Canadian Institute of Chartered Accountants recommends that government financial statements include a comparison of planned and actual revenues and expenses. Such a comparison provides an important basis for understanding, assessing and asking questions about a government's management.

In these summary financial statements, the Government provides a partial comparison of planned and actual revenues and expenses. This is reasonable for this year because the Government has only recently made the commitment to prepare and use a full financial planning framework that encompasses its overall operations.

The Institute also recommends that government financial statements include an accounting of net liabilities as an integral part of the balance sheet. Net liabilities is the difference between a government's liabilities and financial assets. Net liabilities is a key indicator of financial position because it provides important information on whether a government's future revenue requirements are increasing or decreasing as a result of past transactions and events.

In these financial statements, the Government has chosen to provide separate disclosure and reconciliation of its net liabilities rather than reporting this key indicator as an integral part of its balance sheet. As a result, the state of the Government's finances is more difficult to analyse and to compare from one period to the next and from one jurisdiction to another.

In these statements, the Government provides complex reconciling schedules to explain the consequences of not fully following generally accepted accounting principles for senior governments as recommended by The Canadian Institute of Chartered Accountants. I urge the Government to adopt the accounting principles recommended by the Institute. Following accounting principles recommended by an independent and authoritative standard-setting body is essential to the credibility and comparability of financial statements.

Wayne Strelioff

Wayne Strelioff, CA
Auditor General

Victoria, British Columbia
June 25, 2000

Statement of Responsibility for the Summary Financial Statements of the Province of British Columbia

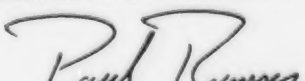
Responsibility for the integrity and objectivity of the Summary Financial Statements of the Province of British Columbia rests with the government. These financial statements are prepared by the Comptroller General under the direction of the Treasury Board, in accordance with the government's stated accounting policies. The fiscal year of the government is from April 1 to March 31 of the following year.

To fulfill its accounting and reporting responsibilities, the government maintains systems of financial management and internal control. These systems give due consideration to costs, benefits and risks, and are designed to provide reasonable assurance that transactions are properly authorized by the Legislative Assembly, are executed in accordance with prescribed regulations and are properly recorded. This is done to maintain accountability of public money and safeguard the assets and properties of the Province of British Columbia under government administration. The Comptroller General of British Columbia maintains the accounts of British Columbia, a centralized record of the government's financial transactions, and obtains additional information as required from ministries, agencies and Crown corporations to meet accounting and reporting requirements.

The Auditor General of British Columbia provides an independent opinion on the financial statements prepared by the government. The duties of the Auditor General in that respect are contained in section 10 of the *Auditor General Act.*

Annually, the financial statements are tabled in the Legislature as part of the Public Accounts, and are referred to the Select Standing Committee on Public Accounts of the Legislative Assembly. The Select Standing Committee on Public Accounts reports to the Legislative Assembly on the results of its examination together with any recommendations it may have with respect to the financial statements and accompanying audit opinions.

Approved on behalf of the Government of the Province of British Columbia:



PAUL RAMSEY
Chair, Treasury Board

Summary Financial Statements
Balance Sheet
as at March 31, 2000

	Note	In Millions 2000	1999
		$	$
Assets			
Cash and temporary investments	3	1,535	791
Warehouse Program investments	4	1,320	658
Accounts receivable	5	2,346	2,073
Inventories	6	245	226
Due from other governments	7	271	286
Due from self–supported Crown corporations and agencies	8	417	401
Equity in self–supported Crown corporations and agencies	9	2,745	2,885
Loans, advances and mortgages receivable	10	402	313
Other investments	11	315	279
Loans for purchase of assets, recoverable from agencies	12	7,530	7,992
Other assets	13	340	264
Prepaid capital advances	14	6,517	6,138
Tangible capital assets	15	10,217	9,771
		34,200	**32,077**
Liabilities and Net Equity			
Accounts payable and accrued liabilities	16	2,871	2,625
Due to other governments	17	105	146
Due to Crown corporations, agencies and funds	18	82	67
Deferred revenue	19	524	537
Unfunded pension liabilities	20	2,053	2,393
Taxpayer–supported debt	21	24,794	22,798
Self–supported debt	22	8,711	8,503
		39,140	37,069
Net equity (deficiency)	24	(4,940)	(4,992)
		34,200	**32,077**
Net liabilities	25	21,674	20,901
Contingencies and commitments	26		

The accompanying notes and supplementary statements are an integral part of these financial statements.

Prepared in accordance with the accounting policies as determined by Treasury Board.

ARN VAN IERSEL
Comptroller General

Summary Financial Statements
Statement of Operations
for the Fiscal Year Ended March 31, 2000

	In Millions 2000	1999
	$	$
Revenue		
Taxation (Note 27)	13,734	13,510
Natural resources	2,821	2,015
Fees and licences	1,965	2,079
Investment earnings[1]	198	248
Miscellaneous	566	469
Net earnings of self–supported Crown corporations and agencies (Note 9)	1,295	1,520
Contributions from the federal government	2,704	2,245
Recoveries	1,311	1,294
Total Revenue	24,594	23,380
Expense		
Health[2]	8,081	7,527
Social services	3,114	3,146
Education[2]	6,050	5,875
Protection of persons and property	1,227	1,071
Transportation[2]	1,684	2,042
Natural resources and economic development	1,435	1,532
Other	784	789
General government	398	431
Interest[2]	1,769	1,970
Total operating expense (Note 28)	24,542	24,383
Surplus (deficit) for the year (Note 30)	**52**	**(1,003)**

[1]Includes $79 million (1999: $18 million) interest earned on investments under the Warehouse Program.
[2]For 1999/00, interest expense of $675 million (1999: $395 million) was included in health $131 million (1999: nil); education $455 million (1999: $395 million); and transportation $89 million (1999: nil).

The accompanying notes and supplementary statements are an integral part of these financial statements.

Summary Financial Statements
Statement of Changes in Cash and Temporary Investments
for the Fiscal Year Ended March 31, 2000

	In Millions 2000			1999
	Receipts $	Disbursements $	Net $	Net $
Operating Transactions				
Surplus (deficit) for the year			52	(1,003)
Non–cash items included in surplus (deficit):				
Amortization of tangible capital assets			478	551
Amortization of prepaid capital advances			337	240
Amortization of public debt deferred revenues and deferred charges			38	35
Concessionary loan adjustments (decreases)			(2)	
Valuation adjustments			392	90
Net earnings of self–supported Crown corporations and agencies			(1,295)	(1,520)
Unfunded pension liability (decreases)			(340)	(303)
Transfer of highways to municipalities			10	91
Accounts receivable decreases (increases)			(321)	91
Due from other governments decreases (increases)			15	(51)
Due from self–supported Crown corporations and agencies decreases (increases)			(16)	9
Equity in self–supported Crown corporations and agencies decreases				20
Accounts payable increases (decreases)			246	(23)
Due to other governments (decreases)			(41)	(84)
Due to Crown corporations, agencies and funds increases (decreases)			15	(39)
Items applicable to future operations (decreases)			(71)	(128)
Contributions of self–supported Crown corporations and agencies			1,485	1,425
Accounting adjustments to equity				(47)
Cash derived from (used for) operations			982	(646)
Investing Transactions				
Tangible capital assets—net (acquisitions)	25	1,261	(1,236)	(438)
Loans, advances and mortgages receivable—net (issues)	51	138	(87)	(44)
Investment in self–supported Crown corporations and agencies (increases)		50	(50)	(50)
Other investments—net decrease (increase)	6	78	(72)	25
Prepaid capital advances (increases)		716	(716)	(504)
Cash (used for) investments	82	2,243	(2,161)	(1,011)
Total financing (requirements)			(1,179)	(1,657)

Summary Financial Statements
Statement of Changes in Cash and Temporary Investments for the Fiscal Year Ended March 31, 2000—Continued

	In Millions 2000			1999
Financing Transactions[1]	Receipts $	Disburse-ments $	Net $	Net $
Public debt increases	25,154	22,956	2,198	2,040
(Used for) Warehouse Program investments	(4,474)	(3,811)	(663)	(475)
Derived from (used for) loans for purchase of assets, recoverable from agencies	(6,953)	(7,341)	388	(415)
Cash derived from financing	13,727	11,804	1,923	1,150
Non-cash Transactions included on the Balance Sheet[2]				
Fiscal agency loan receivable decreases				5,190
Prepaid capital advances (increases)				(5,874)
Equity adjustment				684
			0	0
Increase (decrease) in cash and temporary investments			744	(507)
Balance—beginning of year			791	1,298
Balance—end of year			**1,535**	**791**

[1] Financing transaction receipts are from debt issues and disbursements are for debt repayments.
[2] The 1998/99 amount includes the non-cash impact resulting from a change in accounting for social capital funding to schools, post secondary educational institutions, and health facilities.

The accompanying notes and supplementary statements are an integral part of these financial statements.

Notes to Summary Financial Statements for the Fiscal Year Ended March 31, 2000

1. Significant Accounting Policies

(a) Reporting Entity

These financial statements include the accounts of organizations which are accountable for the administration of their financial affairs and resources either to a minister of the government or directly to the Legislature, and are owned or controlled by the government. Accountability to a minister or directly to the Legislature, for purposes of the reporting entity, does not include those entities that are part of a province–wide program yet are locally based and have an initial accountability to a local board.

The reporting entity also includes government partnerships. A government partnership is a contractual arrangement between the government and a party or parties outside the government reporting entity that has all the following characteristics:

(i) the partners cooperate toward achieving significant, clearly defined common goals
(ii) the partners make a financial investment in the government partnership
(iii) the partners share control of decisions related to the financial and operating policies of the government partnership on an ongoing basis
(iv) the partners share, on an equitable basis, the significant risks and benefits associated with the operation.

A list of organizations included in these consolidated financial statements may be found on pages 54 and 55.

Trusts administered by the government or a Crown corporation or agency are excluded from the government reporting entity.

(b) Principles of Consolidation

The accounts of the organizations, except those designated as self-supported Crown corporations and agencies, are consolidated after adjusting them to a basis consistent with the accounting policies described below. Government's interests in government partnerships other than government business partnerships are recorded on a proportional consolidation basis. Inter–organization accounts and transactions are eliminated upon consolidation.

A self–supported Crown corporation, agency or a government business partnership is an organization that:

(i) is a separate legal entity with the power to contract in its own name and that can sue or be sued
(ii) has been delegated the financial and operational authority to carry on a business
(iii) sells goods and/or services to individuals and organizations outside the government reporting entity as its principal activity
(iv) can, in the normal course of its operation, maintain its operations and meet its liabilities from revenue received from sources outside the government reporting entity.

Self–supported Crown corporations and agencies and government business partnerships are recorded on the modified equity basis. Under this basis, the government's share of the investment is initially recorded at cost and adjusted annually to include the net earnings/losses and other net equity changes of the self–supported Crown corporation or agency without adjusting them to conform with the accounting policies described below. Since the government ensures the ongoing activities of self–supported Crown corporations and agencies, full account is taken of losses in these entities, even when the cumulative losses exceed the original investment.

Accounts and transactions between self–supported entities are not eliminated. However, profit elements included in such transactions, including certain increases in contributed surplus, are eliminated.

No adjustments are made for Crown corporations and agencies whose fiscal year–ends are different from the government's fiscal year–end of March 31, unless the effect of an adjustment would be significant to the consolidated operating result.

Notes to Summary Financial Statements for the Fiscal Year Ended March 31, 2000—Continued

1. Significant Accounting Policies—Continued

(c) Basis of Accounting

The government's Summary Financial Statements are prepared in accordance with the generally accepted accounting principles for senior governments as recommended by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants, with the following exceptions:

(i) Reporting entity—school districts, universities, colleges, institutes, public health care organizations, and regional hospital districts (SUCH sector) are not included in the government's reporting entity

(ii) Prepaid capital advances—amounts paid as prepaid capital advances to school districts, universities, colleges, advanced educational institutions, health authorities and specified taxpayer–supported Crown corporations and agencies are not expensed in the year they are issued, but are treated as a prepaid expense and amortized over the life of the tangible capital assets acquired with the advances

(iii) Expense basis of accounting—the net book value of tangible capital assets is included in total assets in calculating the "net equity" and the Statement of Operations is prepared on the expense basis; it is not returned to the expenditure basis of accounting.

The following table provides the impact to the province's financial statements if the accounting policies were changed to conform to PSAB.

	In Millions					
	Assets	Liabilities	Net Equity	Revenue	Expense	Deficit
	$	$	$	$	$	$
Inclusion of SUCH sector and expensing prepaid capital advances	4718	2,147	2,571	1,881	1,894	13
Change from expense to expenditure basis of accounting	(19,232)		(19,232)		847	847
Increase (decrease)	**(14,514)**	**2,147**	**(16,661)**	**1,881**	**2,741**	**860**

(d) Specific Accounting Policies

Revenue

All revenue is recorded on an accrual basis except when the accruals cannot be determined with a reasonable degree of certainty or when their estimation is impracticable. The exception is corporation income tax, which is recorded on a cash basis.

Government transfers are recognized as revenues in the period during which the transfer is authorized and any eligibility criteria are met.

Tax credits/offsets are accrued on the same basis as the associated tax revenues and reduce gross taxation revenue but are not considered valuation allowances.

Expenses

The cost of all goods and services received during the year is recorded as expenses of the province.

Interest expense is recorded net of sinking fund earnings.

Pension expense is calculated as the cost of pension benefits earned by employees during the year, interest on the pension benefits liability net of pension plan assets and amortization of the government's share of any experience gains or losses, less contributions made by employees and other employers. The estimated total cost of the government's share of the plan amendments related to past service is expensed in the year the plan is amended.

Notes to Summary Financial Statements for the Fiscal Year Ended March 31, 2000—Continued

1. Significant Accounting Policies—Continued

Major types of government transfers include grants and contributions. Government transfers are recognized as expenses in the period during which the transfer is authorized and any eligibility criteria are met. This excludes transfers that meet the criteria for a prepaid capital advance.

Acquisitions of tangible capital assets and prepaid capital advances are recorded as assets and the cost is amortized over the useful life of the relevant tangible capital assets. Tangible assets not related to a capitalized class of assets are expensed in the year of acquisition.

Assets

Assets are recorded to the extent that they represent cash and claims upon outside parties, items held for resale to outside parties, a prepaid expense, deferred charge, prepaid capital advances or tangible capital assets acquired as a result of events and transactions prior to the year–end.

Financial Assets

Temporary and Warehouse Program investments include short–term investments recorded at the lower of cost or market value.

Inventories include property which has been purchased, or for which development costs have been incurred, that is held for ultimate resale or lease to outside parties. It also includes the cost of development of standing timber for the Small Business Forest Enterprise Program, valued using the "first–in first–out" method. They are recorded at the lower of cost or net realizable value.

Equity in self–supported Crown corporations and agencies represents the government's investment (including long–term advances) in those self–supported Crown corporations and agencies at cost, adjusted for increases and decreases in the investees' net assets.

Loans, advances and mortgages are recorded at the principal amount less valuation allowances.

Other investments are recorded at the lower of cost of acquisition, which may be adjusted by attributed income, or market value.

The Fiscal Agency Loan Program consists of loans made to government bodies. Loans are recorded at maturity value less unamortized premium/discount and sinking fund balances. Premium/discount is amortized on a Constant Yield basis.

Prepaid Capital Advances

Prepaid capital advances are provided to school districts, post–secondary educational institutions, health organizations and other specified government organizations to fund capital asset acquisitions. The province has an on–going claim on the assets of these organizations. Prepaid capital advances are amortized over the useful life of the assets funded.

Tangible Capital Assets

All significant tangible capital assets of government organizations and operations have been capitalized with the exception of certain land that is not associated with a capitalized class of asset. Non–capitalized tangible capital assets are recorded at the nominal value of $1.

Gains arising from the initial valuation and capitalization of the existing tangible capital assets are accounted for as a component of accumulated equity.

Notes to Summary Financial Statements for the Fiscal Year Ended March 31, 2000—Continued

1. Significant Accounting Policies—Continued

Tangible capital assets are recorded at historical cost. Estimated cost is used to record existing tangible capital assets when actual cost is unknown. The recorded cost, less the residual value, is generally amortized over the estimated useful lives of the assets on a straight–line basis except for some transportation equipment which is amortized using the sinking fund method.

Liabilities

All liabilities are recorded to the extent that they represent claims payable to outside parties as a result of events and transactions prior to the year–end, including probable losses on loan guarantees issued by the government, contingent liabilities when it is likely a liability exists and the amount of the liability can be reasonably determined on an individual or portfolio basis, and unfunded pension liabilities.

Unfunded Pension Liabilities

Unfunded pension liabilities represent the unfunded portion of pensions to be provided to public sector employees. The percentage of the unfunded portion of certain statutory pension plans, which are funded by the province, is included. The amount is calculated using the Accrued Benefit Actuarial Cost Method.

Changes in the unfunded liability for pension plans which arise as a result of estimation adjustments due to experience gains or losses and changes in actuarial assumptions are amortized over the expected average remaining service life of the related employee group. Gains or losses arising as a result of plan amendments are recognized in full in the year of amendment.

Public Debt

Public debt represents the direct debt obligations of the Province of British Columbia, including borrowings incurred for government operating purposes, including the acquisition of capital assets and for re–lending to authorized government bodies and for borrowings in advance of future requirements under the Warehouse Program. Public debt consists of short–term promissory notes, notes, bonds and debentures, bank loans, capital leases and mortgages payable. These obligations are recorded at principal less unamortized premium or discount and sinking fund balances where applicable. Public debt is reported under two categories, taxpayer–supported and self–supported.

Taxpayer–supported debt includes direct debt used for government operating and capital purposes, and the debt of Crown corporations and agencies that requires an operating or debt servicing subsidy from the provincial government or are fully consolidated within these financial statements.

Self–supported debt includes the debt of commercial Crown corporations and agencies that fully fund their operations and debt from revenue generated through the sale of goods and/or services at commercial rates to buyers that are outside the government reporting entity. Self–supported debt includes debt of the Warehouse Program.

Debt premium/discount is amortized on a Constant Yield basis. Unamortized premium/discount on bonds called and refinanced are amortized over the remaining life of the old debt, or the life of the new debt, whichever is shorter.

When it has been determined that there are sufficient securities to satisfy scheduled interest and principal payments for a debt instrument, the sinking fund assets are set aside in a defeased trust account. The debt and the related securities used to extinguish the debt are removed from the province's Balance Sheet. The debt is considered extinguished for financial reporting purposes.

Notes to Summary Financial Statements for the Fiscal Year Ended March 31, 2000—Continued

1. Significant Accounting Policies—Continued

Foreign Currency Translation

Monetary assets and liabilities denominated in foreign currencies are translated to Canadian dollars at the exchange rate prevailing at the year–end. Foreign currency transactions are translated at the exchange rate prevailing at the date of the transaction unless hedged by forward contracts that specify the rate of exchange. Adjustments to revenue or expense transactions arising as a result of foreign currency translation are credited or charged to operations at the time the adjustments arise. Unrealized foreign currency gains and losses on long–term, fixed–term monetary assets and liabilities are reported as deferred charges and amortized over the remaining terms of the related items on a straight–line basis. Non–monetary assets and liabilities are translated at historical rates of exchange.

Derivative Financial Instruments

The province is a party to financial instruments with off–balance sheet risk due to fluctuations in foreign currency exchange rates, interest rate fluctuations and counterparty default on financial obligations. The province does not use derivative financial instruments for speculative purposes. Off–balance sheet position data is given in the form of nominal principal amounts outstanding. Amounts paid and received under swaps are recognized and offset against the related interest expense. Gains and losses on terminated derivative contracts are deferred and amortized over the lesser of the remaining term of the contract or the related debt.

(e) Effect of Accounting Change

The government has changed its method of calculating its pension expense to agree with the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants recommendations. Previously, it has used the cash payments to estimate its pension expense, adjusted by an amortization of the change in unfunded pension liability and the impact of any plan amendments in the fiscal year.

The new method of calculating will include an estimate of the earned employee benefits and the net interest earnings of the pension plan in its calculated expense total rather than the cash payments. The impact on the 1999/00 fiscal year is a $352 million (1999: $187 million) reduction in total expenses. If this accounting change had not been implemented, the Summary operating result would have been a deficit of $300 million (1999: $1,190 million).

2. Measurement Uncertainty

Uncertainty in the determination of the amount at which an item is recognized in the financial statements is known as measurement uncertainty. Uncertainty exists whenever estimates are used because it is reasonably possible that there could be a material variance between the recognized amount and another reasonably possible amount.

Measurement uncertainty in these financial statements exists in the accruals for pension obligations, Canada Health and Social Transfer (CHST) and personal income tax.

The nature of the uncertainty in the pension accrual arises because actual results may differ significantly from the province's best estimates of expected results based on variables such as earnings on pension investments and life expectancy of claimants. Uncertainty related to the accrual for CHST and personal income tax arises because of the possible differences between the estimated and actual economic growth and related impact on taxes receivable.

The future profitability of 552513 British Columbia Ltd is uncertain due to the volatility of world pulp prices and the impact of that on Skeena Cellulose Inc (majority owned by 552513 British Columbia Ltd).

Notes to Summary Financial Statements for the Fiscal Year Ended March 31, 2000—Continued

3. Cash and Temporary Investments

	In Millions 2000	1999
	$	$
Cash (cheques issued in excess of funds on deposit)	261	(76)
Temporary investments[1]	1,274	867
	1,535	**791**

[1] Temporary investments consist mainly of units in the Province of British Columbia Pooled Investment Portfolio money market funds. Units are carried at the lower of cost of acquisition adjusted by income attributed to the units, or market value.

4. Warehouse Program Investments

	In Millions 2000	1999
	$	$
Temporary investments[1]	1,330	660
Deferred charges	5	9
	1,335	669
Accrued interest payable	(15)	(11)
	1,320	**658**

[1] Temporary investments consist mainly of units in the Province of British Columbia Pooled Investment Portfolio money market funds. Units are carried at the lower of cost of acquisition adjusted by income attributed to the units, or market value.

5. Accounts Receivable

	In Millions 2000	1999
	$	$
Taxes receivable	1,681	1,547
Trade accounts receivable	822	663
Accrued interest	270	237
	2,773	2,447
Provision for doubtful accounts	(427)	(374)
	2,346	**2,073**

6. Inventories

	In Millions 2000	1999
	$	$
Properties for resale	96	108
Other	149	118
	245	**226**

Notes to Summary Financial Statements for the Fiscal Year Ended March 31, 2000—Continued

7. Due from Other Governments

	In Millions 2000	1999
	$	$
Government of Canada:		
Current	252	255
Long–term	1	1
Provincial governments:		
Current	12	10
Local governments:[1]		
Current	6	20
	271	**286**

[1]Local governments are municipal units established by the provincial government. They include regional and metropolitan municipalities, cities, towns, townships, districts, rural municipalities and villages.

8. Due from Self–supported Crown Corporations and Agencies

	In Millions 2000	1999
	$	$
British Columbia Hydro and Power Authority	343	326
British Columbia Lottery Corporation	74	75
	417	**401**

See page 59 for details.

Notes to Summary Financial Statements for the Fiscal Year Ended March 31, 2000—Continued

9. Equity in Self–supported Crown Corporations and Agencies

In Millions	2000			1999
	Investments $	Unremitted Earnings $	Total $	Total $
552513 British Columbia Ltd[1]		(57)	(57)	(54)
British Columbia Hydro and Power Authority		1,514	1,514	1,312
British Columbia Railway Company	258	277	535	1,118
Columbia Power Corporation	252	12	264	210
Insurance Corporation of British Columbia		475	475	285
Provincial Capital Commission		14	14	14
	510	**2,235**	**2,745**	**2,885**

Change in Equity in Self–supported Crown Corporations and Agencies

In Millions	2000			1999
	Investments $	Unremitted Earnings $	Total $	Total $
Balance—beginning of year	460	2,425	2,885	2,797
Increase in investment	50		50	50
Net earnings of self–supported Crown corporations and agencies		1,295	1,295	1,520
Contributions paid to the Consolidated Revenue Fund		(1,376)	(1,376)	(1,348)
Adjustments to contributions paid		(109)	(109)	(77)
Restatement of prior years' unremitted earnings[2]				(35)
Transferred to consolidated entity[3]				(22)
Balance—end of year	**510**	**2,235**	**2,745**	**2,885**

[1] This company owns shares in Skeena Cellulose Inc.

[2] This restatement is to record the impact of British Columbia Railway Company's change in accounting treatment for non–pension post–employment benefits.

[3] B.C. Community Financial Services Corporation and British Columbia Assets and Land Corporation were fully consolidated in the 1998/99 Summary Financial Statements as they no longer met the criteria of self–supported Crown corporations and agencies and, therefore, are no longer consolidated using the modified equity basis.

10. Loans, Advances and Mortgages Receivable

In Millions	2000	1999
	$	$
Loans and advances	491	423
Mortgages receivable	37	26
	528	449
Provision for doubtful accounts	(126)	(136)
	402	**313**

Notes to Summary Financial Statements for the Fiscal Year Ended March 31, 2000—Continued

11. Other Investments

	In Millions 2000	1999
	$	$
Investments	**315**	**279**

12. Loans for Purchase of Assets, Recoverable from Agencies

	In Millions 2000	1999
	$	$
552513 British Columbia Ltd[1]	31	4
British Columbia Hydro and Power Authority	6,753	7,269
British Columbia Railway Company	606	572
Improvement districts	4	4
Oak Bay Lodge	1	1
Pacific Racing Association	5	5
Post–secondary educational institutions	130	137
	7,530	**7,992**

[1] This company owns shares in Skeena Cellulose Inc.

13. Other Assets

	In Millions 2000	1999
	$	$
Prepaid program costs[1]	113	80
Deferred charges	227	184
	340	**264**

[1] Includes inventories of operating material held in the Purchasing Commission and Queen's Printer warehouses pending distribution in a subsequent fiscal year.

14. Prepaid Capital Advances

	In Millions 2000	1999
	$	$
Health facilities	2,301	2,075
Post–secondary educational institutions	2,178	2,106
Schools	5,579	5,161
	10,058	9,342
Accumulated amortization	(3,541)	(3,204)
	6,517	**6,138**

Notes to Summary Financial Statements for the Fiscal Year Ended March 31, 2000—Continued

15. Tangible Capital Assets

	In Millions 2000 Net Book Value $	1999 Net Book Value $
Land	600	570
Buildings	1,123	1,183
Highway infrastructure	5,872	5,635
Ferries and related infrastructure	620	805
Transportation equipment	1,613	1,240
Computer hardware and software	264	226
Other	125	112
	10,217	**9,771**

See Statement of Tangible Capital Assets on page 61.

The estimated useful lives of the more common tangible capital assets are: buildings (10–50 years); highway infrastructure (15–40 years); ferries and related infrastructure (5–40 years); transportation equipment (5–40 years); computer hardware and software (3–5 years); and other (including vehicles, specialized equipment, and furniture and equipment) (5–20 years). Tenant improvements (included in buildings) are amortized over 5 years or the length of the relevant lease term.

16. Accounts Payable and Accrued Liabilities

	In Millions 2000 $	1999 $
Trade accounts payable and other liabilities	1,331	1,287
Accrued interest on debt	820	747
Accrued employee leave entitlements	166	166
Other accrued estimated liabilities[1]	554	425
	2,871	**2,625**

[1] Includes pending litigation, provision for guaranteed debt payout and other miscellaneous accrued claims.

Notes to Summary Financial Statements for the Fiscal Year Ended March 31, 2000—Continued

17. Due to Other Governments

	In Millions 2000	1999
	$	$
Government of Canada:		
Current	48	81
Provincial governments:		
Current	8	5
Local governments:[1]		
Current	29	28
Long-term	20	32
	105	**146**

[1] Local governments are municipal units established by the provincial government. They include regional and metropolitan municipalities, cities, towns, townships, districts, rural municipalities and villages.

18. Due to Crown Corporations, Agencies and Funds

	In Millions 2000	1999
	$	$
British Columbia Liquor Distribution Branch	7	6
Post-secondary educational institutions	2	3
Health care organizations	13	2
Trust funds	60	56
	82	**67**

19. Deferred Revenue

	In Millions 2000	1999
	$	$
Medical Services Plan premiums	58	60
Motor vehicle licences and permits	157	150
Petroleum, natural gas and minerals, leases and fees	27	26
Water rentals and recording fees	83	84
Derivative debt instruments	12	36
Unearned lease revenue	92	89
Federal and municipal highway project revenues	13	14
Miscellaneous	82	78
	524	**537**

Notes to Summary Financial Statements for the Fiscal Year Ended March 31, 2000—Continued

20. Unfunded Pension Liabilities

	In Millions 2000	1999
	$	$
Public Service Pension Plan[1]	124	191
Members of the Legislative Assembly Superannuation Plan[2]	7	7
Municipal Superannuation Plan[3]	357	556
Teachers' Pension Plan[4]	1,565	1,639
	2,053	**2,393**

The province sponsors contributory defined pension plans for substantially all its employees and for Members of the Legislature. The plans provide pensions based on length of service and final average earnings. They do not provide for inflation protection other than that set aside in special inflation accounts.

The unfunded pension liability for each plan consists of the accrued benefit obligation less the pension fund assets and any unamortized estimation adjustments. Actuarial valuations for accounting purposes are performed triennially using the projected benefit method pro–rated on services. The assumptions used in the valuations were based on the government's estimates of expected long–term rates and short–term forecasts. Each plan's future experience will inevitably vary from the assumptions. Any differences between the actuarial assumptions and future experience will emerge as gains or losses in future valuations. These gains or losses are amortized over the expected average remaining service life (EARSL) of the related employee group.

Key actuarial assumptions used in the valuations include a long–term annual rate of return on pension fund assets of 7.30% for the Public Service Pension Plan, 7.25% for the Municipal Pension Plan and 7.50% for the Teachers Pension Plan, and long–term annual salary increases of 4.80% for the Public Service Pension Plan, 4.75% for the Municipal Pension Plan and 5.00% for the Teachers Pension Plan.

A separate pension fund is maintained for each pension plan except for the Members of the Legislative Assembly Superannuation Plan. Pension plan fund assets consist primarily of direct ownership in units of pooled investment portfolios, managed by the British Columbia Investment Management Corporation (previously known as the Office of the Chief Investment Officer). Pension fund assets are valued at market related values whereby fluctuations in market value are recognized over a five–year period.

The audited financial statements of each pension plan listed, along with full descriptions, benefit formulas, inflation assumptions and funding policies, are published on the Ministry of Finance and Corporate Relations' web site.

---

[1] This consists of accrued pension benefit obligations of $6,907 million (1999: $6,339 million) less pension fund assets of $7,923 million (1999: $7,425 million) and an unamortized estimation adjustment of $1,140 million (1999: $1,277 million). The most recent actuarial report was prepared at March 31, 1999. The accrued benefit obligation and pension assets shown for 1999/00 are based on extrapolations of that valuation. The estimation adjustment is a net unamortized gain to be amortized on a straight–line basis over the EARSL of the related employee groups (10.8 to 12.0 years). During 1999/00, a plan amendment was made to the Public Service Pension Plan changing the formula for determining eligibility for an unreduced pension on early retirement, causing an increase in the liability totalling $142 million. Legislative provisions allow a plan surplus to be refunded annually over a 15–year period to the employers. Accordingly, refunds have been made to employers commencing in 1996/97. For 1999/00, the refund was $79 million (1999: $19 million).

[2] An actuarial valuation for the Members of the Legislative Assembly Superannuation Plan has not been performed. The unfunded liability is based on an estimate.

[3] This, based on the provinces share (70%), consists of accrued pension benefit obligations of $6,494 million (1999: $6,075 million) less pension fund assets of $6,571 million (1999: $6,004 million) and an unamortized estimation adjustment of $434 million (1999: $485 million). The most recent actuarial report was prepared at December 31, 1997. The accrued benefit obligation and pension assets shown for 1999/00 are based on extrapolations of that valuation. The estimation adjustment is a net unamortized gain to be amortized on a straight–line basis over the EARSL of the related employee groups (10.7 to 10.5 years).

[4] This consists of accrued pension benefit obligations of $8,144 million (1999: $7,667 million) less pension fund assets of $6,851 million (1999: $6,328 million) and an unamortized estimation adjustment of $272 million (1999: $300 million). The most recent actuarial report was prepared at December 31, 1996. The accrued benefit obligation and pension assets shown for 1999/00 are based on extrapolations of that valuation. The estimation adjustment is a net unamortized gain to be amortized on a straight–line basis over the EARSL of the related employee groups (12.66 years).

Notes to Summary Financial Statements for the Fiscal Year Ended March 31, 2000—Continued

21. Taxpayer–Supported Debt[1]

In Millions

	Year of Maturity	Canadian Dollar	US Dollar[2]	Japanese Yen[2]	Other Foreign Currencies[2]	2000 Canadian Dollar Total	1999 Canadian Dollar Total
Short–term promissory notes	2000						1,511
	2001	1,032	126			1,158	
Notes, bonds and debentures	2000						1,846
	2001	1,405	177	444		2,026	2,005
	2002	1,809			197	2,006	2,053
	2003	1,065	1,120			2,185	1,641
	2004	1,346			409	1,755	1,773
	2005	1,022			585	1,607	1,520
	2005–2010	5,347	1,299	59	628	7,333	5,820
	2010–2015	4,374	154	110	576	5,214	4,675
	2015–2020	409				409	151
	2020–2025	2,281				2,281	2,026
	2025–2030	2,410				2,410	1,510
	2030–2035						
	2035–2040	365				365	165
Total debt issued at face value		**22,865**	**2,876**	**613**	**2,395**	28,749	26,696
Sinking funds[3]						(3,840)	(3,737)
Unamortized discount						(113)	(159)
Amount held in the Consolidated Revenue Fund						(2)	(2)
Total taxpayer–supported debt						**24,794**	**22,798**

The effective interest rates (weighted average percent) as at March 31 on the above debt are:

2000	7.30
1999	7.53

[1]The balances and interest rates reflect the impact of the related derivative contracts, presented in Note 23 (Risk Management and Derivative Financial Instruments).

[2]Foreign currencies include: $1,923 million US ($2,876 million Canadian); 111,029 million Japanese yen ($613 million Canadian); 191 million Pound Sterling ($409 million Canadian); 800 million Swiss Franc ($782 million Canadian); 703 million Deutsche Mark ($576 million Canadian); and 2,500 million French Franc ($628 million Canadian).

[3]Sinking fund balances include assets totalling $83 million (1999: $83 million) invested in the Matched Book Program and assets totalling $3,757 million (1999: $3,654 million) set aside for orderly repayment of debt. Sinking funds at March 31, 2000, totalling $131 million US (1999: $124 million US) act as a natural hedge of the US dollar debentures.

Notes, bonds and debentures

Redeemable by the bond holder

Balances include debentures issued to the Canada Pension Plan totalling $3,339 million (1999: $3,178 million) at a weighted average interest rate of 11.17% (1999: 11.67%). These debentures mature at various dates from May 9, 2000 to March 10, 2020, with interest rates varying between 5.61% and 17.51%. These debentures

Notes to Summary Financial Statements for the Fiscal Year Ended March 31, 2000—Continued

21. Taxpayer–Supported Debt—Continued

are redeemable in whole or in part before maturity, on six months' prior notice, at the option of the Minister of Finance of Canada, subject to certain restrictions. During the year, $257 million Canada Pension Plan debentures were issued. Under Canada Pension Plan legislation, any significant amendment to benefits or contributions requires the approval of the legislature of two–thirds of the provinces.

Balances include 5.40% debentures, due December 4, 2026, totalling $40 million (1999: $40 million). The holders have a put option which, if exercised, would result in the bond maturing on December 4, 2002. If the option is not exercised, the bond will be redeemed for $50 million (1999: $50 million) on December 4, 2026, and the coupon rate on the bond will be 7.00% for the period December 5, 2002 to December 4, 2026.

Balances include 5.45% debentures, due August 17, 2028, totalling $200 million (1999: $200 million). The holders have a put option which, if exercised, would result in the bond maturing on August 17, 2005. If the option is not exercised, the debenture will mature on August 17, 2028, and the effective rate on the bond will be 5.62% for the period August 17, 2005 to August 17, 2028.

Balances include 5.86% debentures due June 18, 2029, totalling $250 million (1999: nil). The holders have a put option which, if exercised, would result in the bond maturing on June 19, 2006. If the option is not exercised, the debenture will mature on June 18, 2029.

Balances include British Columbia Savings Bonds totalling $930 million (1999: $1,174 million) maturing at dates from October 15, 2001 to October 15, 2006, and with an effective rate of 4.90% are redeemable at par by the holder each April 15 and October 15 prior to maturity.

Redeemable by the province

Issues totalling $210 million (1999: $85 million) with effective rates ranging from 4.91% to 5.26% are redeemable at par at the province's option on dates ranging from July 10, 2000 to December 14, 2010.

Defeasances

At March 31, 2000, sufficient securities had been set aside in an irrevocable trust to satisfy the scheduled interest and principal payment requirements of $1,313 million (1999: $1,487 million). The related debt is considered extinguished for financial reporting purposes.

Aggregate payments for the next five years to meet sinking fund and retirement provisions are:

	In Millions Canadian Dollar
2001	1,692
2002	1,473
2003	1,698
2004	1,216
2005	1,309

Notes to Summary Financial Statements for the Fiscal Year Ended March 31, 2000—Continued

22. Self–Supported Debt[1]

In Millions

	Year of Maturity	Canadian Dollar	US Dollar[2]	Japanese Yen[2]	Other Foreign Currencies[2]	2000 Canadian Dollar Total	1999 Canadian Dollar Total
Short–term promissory notes	2000						1,721
	2001	587	1,183			1,770	
Notes, bonds and debentures	2000						956
	2001	25	100			125	125
	2002	404				404	418
	2003		407			407	422
	2004	300	291			591	602
	2005	388	363	135		886	530
	2005–2010	1,547	200	94	150	1,991	1,481
	2010–2015	400				400	465
	2015–2020						12
	2020–2025	1,296				1,296	1,282
	2025–2030	650	727			1,377	905
	2030–2035						
	2035–2040	50	436			486	503
Total debt issued at face value		**5,647**	**3,707**	**229**	**150**	9,733	9,422
Sinking funds[3]						(923)	(867)
Unamortized discount						(99)	(52)
Total self–supported debt						**8,711**	**8,503**

The effective interest rates (weighted average percent) as at March 31 on the above debt are:

2000	6.92
1999	6.64

[1]The balances and interest rates reflect the impact of the related derivative contracts, presented in Note 23 (Risk Management and Derivative Financial Instruments).

[2]Foreign currencies include: $2,561 million US ($3,707 million Canadian); 17,000 million Japanese yen ($229 million Canadian); 637 million French Francs ($150 million Canadian).

[3]Sinking funds at March 31, 2000, totalling $401 million US (1999: $371 million US) act as a natural hedge of the US dollar debentures and short–term promissory notes.

Notes, bonds and debentures

Redeemable by the bond holder

Balances include debentures issued to the Canada Pension Plan totalling $341 million (1999: $354 million) at a weighted average interest rate of 11.10% (1999: 10.92%). These debentures mature at various dates from July 10, 2004 to June 9, 2009, with interest rates varying between 9.62% and 14.06%. These debentures are redeemable in whole or in part before maturity, on six months' prior notice, at the option of the Minister of Finance of Canada, subject to certain restrictions. During the year, no Canada Pension Plan debentures were issued for

Notes to Summary Financial Statements for the Fiscal Year Ended March 31, 2000—Continued

22. Self–Supported Debt—Continued

self–supported debt. Under Canada Pension Plan legislation, any significant amendment to benefits or contributions requires the approval of the legislature of two–thirds of the provinces.

Balances include a $200 million US (1999: $200 million US) note with an effective rate of 6.04% maturing January 15, 2004. This note was translated at the exchange rate prevailing at year–end. The bond holder or the issuer may redeem the note on any interest payment date on thirty days' notice.

Aggregate payments for the next five fiscal years to meet sinking fund and retirement provisions are:

	In Millions Canadian Dollar
2001	178
2002	408
2003	413
2004	549
2005	844

23. Risk Management and Derivative Financial Instruments

The province borrows funds in both domestic and foreign capital markets, and manages its existing debt portfolio to achieve the lowest debt costs within specified risk parameters. As a result, the province is exposed to risks associated with interest rate fluctuations and foreign exchange rate fluctuations. In accordance with risk management policy guidelines set by the Risk Committee of the Ministry of Finance and Corporate Relations, the province uses a variety of derivative financial instruments to hedge exposure to these risks.

Derivatives used by the province include interest rate swaps, currency swaps, forward exchange contracts, forward rate agreements, and options. A derivative instrument is a financial contract with a financial institution or counterparty which is applied to effect a hedge on interest rate or foreign exchange exposure contained in the underlying provincial debt instrument. A derivative derives value from the impact of market changes on the underlying hedged debt instrument. All derivative instruments entered into by the province are recorded off–balance sheet, which is consistent with the Canadian Institute of Chartered Accountants' accounting guidelines for non–speculative hedge instruments.

The table on the following page presents a maturity schedule of the province's derivatives, by type, outstanding at March 31, 2000, based on the notional amounts of the contracts.

Notes to Summary Financial Statements for the Fiscal Year Ended March 31, 2000—Continued

23. Risk Management and Derivative Financial Instruments—Continued

Taxpayer-supported Debt

In Millions

Year of Maturity	Cross Currency Swaps	Interest Rate Swaps	Forward Foreign Exchange Contracts	Advanced Rate Setting Agreements	Total
2001	621	85	125		831
2002	197	100			297
2003	234	515			749
2004	410	6			416
2005	585	95			680
6–10 years	2,297	2,037			4,334
Over 10 years	950	831			1,781
Total	**5,294**	**3,669**	**125**	**0**	**9,088**

Self-supported Debt

In Millions

Year of Maturity	Cross Currency Swaps	Interest Rate Swaps	Forward Foreign Exchange Contracts	Advanced Rate Setting Agreements	Total
2001	100		2		102
2002		300			300
2003		833			833
2004					
2005	568				568
6–10 years	444	911			1,355
Over 10 years		852			852
Total	**1,112**	**2,896**	**2**	**0**	**4,010**

Interest rate risk

Interest rate risk is the risk that the province's debt servicing costs will fluctuate due to changes in interest rates. The province uses derivative contracts to manage interest rate risk by exchanging a series of interest payments, and assuming either a fixed or floating rate liability to a counterparty, based on the notional principal amount. Derivatives allow the province to alter the proportion of its debt held in fixed and floating rate form to take advantage of changes in interest rates.

The government's current policy guidelines, with respect to the provincial government direct debt portfolio, allow floating rate debt exposure up to 45.00% of net debt. At March 31, 2000, floating rate debt exposure was 35.56% (1999: 35.70%) of net debt.

Notes to Summary Financial Statements for the Fiscal Year Ended March 31, 2000—Continued

23. Risk Management and Derivative Financial Instruments—Continued

Under current policy guidelines for British Columbia Hydro and Power Authority (BC Hydro), the maximum floating rate debt exposure is 40.00% of net debt. At March 31, 2000, floating rate debt exposure for BC Hydro was 29.50% (1999: 38.50%) of net debt.

Foreign exchange risk

Foreign exchange risk is the risk that the province's debt servicing costs and principal payments will fluctuate due to changes in foreign exchange rates. The province uses derivative contracts to hedge foreign exchange risk by converting foreign currency principal and interest cash flows into Canadian dollar cash flows. Within specified limits set by policy, the province and provincial corporations may assume only unhedged exposure to US dollars and Japanese yen.

The government's current policy guidelines, with respect to the provincial government direct debt portfolio, allow unhedged foreign debt exposure up to 10.00% of net debt. At March 31, 2000, unhedged foreign debt exposure, in US dollars and Japanese yen, was 7.46% (1999: 5.20%) of net debt.

Under current policy guidelines for BC Hydro, the maximum unhedged foreign debt exposure is 36.00% of net debt. At March 31, 2000, 34.70% (1999: 35.30%) of net debt was in the form of unhedged foreign debt in US dollars.

Credit risk

Credit risk is the risk that the province will incur financial loss due to a counterparty defaulting on its financial obligation to the province. In accordance with the government's policy guidelines, the province reduces its credit risk by dealing with only highly rated counterparties. The province also establishes limits on individual counterparty credit exposures and monitors these exposures on a regular basis.

Notes to Summary Financial Statements for the Fiscal Year Ended March 31, 2000—Continued

24. Net Equity (Deficiency)

	In Millions 2000	1999
	$	$
Net deficiency—beginning of year as previously reported[1]		(10,398)
Adjustments made to 1998/99 net deficiency due to changes in accounting treatment:		
Capitalization of highway infrastructure and other capital assets[2]		5,646
Accounting of pension expenses (Note 1(e))		92
Capitalization of inventory for the Small Business Forest Enterprise Program[3]		91
Accounting of post–employment benefits by British Columbia Railway Company[4]		(35)
Adjustments made to 1998/99 net deficiency due to error corrections:		
Accounting of payments recovered from trust administration[5]		(14)
Value of 1998/99 capitalized assets and miscellaneous items[6]		(8)
Net deficiency—beginning of year as restated[1]	(4,992)	(4,626)
Prepaid capital advance adjustment, restated[7]		637
Surplus (deficit) for the year[1]	52	(1,003)
Net deficiency—end of year	**(4,940)**	**(4,992)**

[1] Net deficiency has been restated to give retroactive application to the changes in accounting treatment and correction of errors. The total impact of these changes has the effect of decreasing the 1998/99 opening net deficiency by $5,772 million from $10,398 million to $4,626 million and decreasing deficit for the year by $216 million from $1,219 million to $1,003 million.

[2] Highway infrastructure and specialized equipment were capitalized in 1999/00 as part of the phased–in approach to the capitalization of tangible capital assets. This change has the effect of increasing the 1998/99 tangible capital assets by $5,670 and decreasing the 1998/99 deficit for the year by $24 million.

[3] The Small Business Forest Enterprise Program has been expensing costs associated with the development of timber it will be selling through this program. The amounts are a direct cost of sales and should be associated with the subsequent revenue receipts. A correcting entry was made this year to record $112 million of these costs as inventory. As a result, net deficiency at April 1, 1998, decreased by $91 million and the 1998/99 net operating expense was reduced by $21 million.

[4] In 1999/00, British Columbia Railway Company changed its accounting policy to comply with the new Canadian Institute of Chartered Accountants' accounting standard for post–employment benefits. This change has the effect of decreasing the 1998/99 equity in self–supported Crown corporations and agencies by $37 million and increasing the 1998/99 deficit for the year by $2 million.

[5] In 1999/00, an adjustment was made to correct the accounting of payments recovered from trust administration. These payments were recorded as revenue in error and should be recognized as deferred revenue. This adjustment has the effect of increasing the 1998/99 deferred revenue by $14 million with no impact on the 1998/99 deficit for the year.

[6] In 1999/00, adjustments were made to correct the value of certain capital assets. These adjustments have the effect of decreasing the 1998/99 tangible capital assets by $30 million, increasing accounts receivable by $4 million, decreasing accounts payable by $3 million and increasing 1998/99 deficit for the year by $15 million.

[7] In 1998/99, an adjustment of $736 million was required for (a) the release of certain debts owed to the province and to establish the unamortized prepaid capital advances provided to specified entities for capital asset acquisitions; and (b) the adoption of the new prepaid capital advance policy by the Health Facilities Association of British Columbia. This adjustment was calculated incorrectly. The correction has the effect of reducing the 1998/99 prepaid capital advance adjustment by $99 million from $736 million to $637 million.

Notes to Summary Financial Statements for the Fiscal Year Ended March 31, 2000—Continued

25. Net Liabilities

	In Millions 2000	1999
	$	$
Calculation of net liabilities:		
Total assets	34,200	32,077
Prepaid capital advances	(6,517)	(6,138)
Tangible capital assets	(10,217)	(9,771)
Financial assets	17,466	16,168
Liabilities	39,140	37,069
Net liabilities—March 31	**21,674**	**20,901**
Net liabilities represented by:		
Prepaid capital advances	6,517	6,138
Tangible capital assets	10,217	9,771
Net deficiency	4,940	4,992
Net liabilities—March 31	**21,674**	**20,901**
Reconciliation of opening to closing net liabilities:		
Net liabilities—April 1	20,901	19,667
Deficit (surplus)—expense basis	(52)	1,003
Impact of prepaid capital advances during the year	379	483
Impact of tangible capital assets during the year	446	(252)
Net liabilities—March 31	**21,674**	**20,901**

The net liabilities calculation uses the expenditure basis of accounting which expenses tangible capital assets and prepaid capital advances in the year of acquisition.

Notes to Summary Financial Statements for the Fiscal Year Ended March 31, 2000—Continued

26. Contingencies and Commitments

(a) GUARANTEED DEBT

Guaranteed debt as at March 31, 2000, totalled $468 million (1999: $472 million). *See* Statement of Guaranteed Debt on page 62 for details.

(b) CONTINGENT LIABILITIES

(i) Litigation and Other Claims

The government is a defendant in legal actions and is involved in matters such as expropriation compensation disputes and tax assessment appeals. These matters may give rise to future liabilities.

These potential liabilities are accrued when it is likely that a liability exists and the amount of the liability can be reasonably estimated on an individual or portfolio basis (*see* Note 16—Other accrued estimated liabilities).

The government has contingent liabilities in respect of the following summary of matters where the estimated or known claim is or exceeds $100,000 and is net of accrued amounts:

	In Millions	
	2000	1999
	$	$
Timber harvesting rights disputes	237	
Expropriation disputes	62	49
Contract disputes	59	43
Damages to persons or property	29	74
Property access disputes	23	20
Tax disputes	18	32
Motor vehicle accidents	9	16
Mineral rights disputes		150
Negligence and miscellaneous	15	12
	452	**396**

On March 28, 1998, the federal government announced the establishment of a $1.1 billion fund to compensate Hepatitis C victims who were infected as a result of blood transfusions between 1986 and 1990. The value of the settlement includes payments of $1.1 billion plus a contingent liability of $18 million for the Red Cross and interest accrued on these balances as of April 1, 1998. The federal government will contribute $800 million and the provincial and territorial governments will contribute $300 million. A liability has been accrued based on the estimated costs of future payments for claims. The outcome of claims may exceed the accrued amount but this additional exposure cannot be determined with certainty.

(ii) Other Contingent Liabilities

The government also has contingent liabilities in the form of indemnities, indirect guarantees and outstanding claims. Where indemnities are for explicit quantifiable loans, the amounts are included in the guaranteed debt note above.

Under current pension agreements, the government is responsible for payment of pensioners' Medical Services Plan and Extended Health Care premiums, which are recorded when due.

The government is responsible for the environmental clean up of numerous contaminated sites in the province. A liability has been recorded based upon current estimated clean up costs for specific sites; however, it is not possible to determine the amount of additional liability with respect to sites yet to be evaluated.

Notes to Summary Financial Statements for the Fiscal Year Ended March 31, 2000—Continued

26. Contingencies and Commitments—Continued

The Insurance Corporation of British Columbia (the Corporation) has settled some claims which requires the Corporation to provide claimants with periodic payments, usually for a lifetime. The Corporation has purchased annuities from approved life insurance companies to make these payments. The list of approved insurance companies is determined by ongoing analysis of total assets, credit rating reports, and past service history. The gross amounts of these settlements at December 31, 1999, is approximately $460 million (December 31, 1998: $400 million). In the event a life insurance company fails in this obligation, the Corporation remains responsible to continue the payments.

(iii)Aboriginal Land Claims

The absence of treaties in most of British Columbia has resulted in a number of outstanding aboriginal land claims across the province. The provincial position is that these claims should be resolved through negotiation, not litigation. Most First Nations agree that the negotiation of claims is the better way to resolve this issue.

A formal process for treaty negotiations in British Columbia has been agreed to amongst the province, Canada and the First Nations Summit. Negotiations commenced in 1994. The province anticipates that these negotiations will result in modern–day treaties defining the boundaries and nature of First Nations treaty settlement lands and rights and ensure a more stable environment for resource development in British Columbia.

The British Columbia Treaty Commission facilitates treaty negotiations under a six–stage negotiation process. As of March 31, 2000, there were 42 active treaty tables in the process representing two–thirds of the aboriginal people in British Columbia. The Sechelt Indian Band was in the final negotiation stage; thirty–six tables were in the Agreement in Principle stage of negotiations and five were in the Framework Agreement stage.

When final treaty agreements are ratified, the provincial cost of treaties is recorded in the Public Accounts. Costs are amortized over the same period as the period of capital transfers established in final agreements.

The Nisga'a treaty was given royal assent by the federal government on April 13, 2000. The provincial cost of the Nisga'a treaty has been recorded and will be amortized over 15 years.

If a final treaty is negotiated which contains the same terms as the Sechelt Agreement in Principle, Sechelt Treaty Land would amount to approximately 1,988 hectares. The province would transfer $4.2 million in capital transfers over a number of years.

Since the Supreme Court of Canada decision on December 11, 1997 of Delgamuukw v. Her Majesty the Queen in Right of British Columbia and Attorney General of Canada there has been an increase in cases involving aboriginal rights.

The Delgamuukw case itself set out a framework for analyzing aboriginal title but did not find that the Gitxsan and Wet'suwet'en First Nations held aboriginal title. Instead, the court referred the matter back for a new trial. At this time, the Gitxsan and Wet'suwet'en have taken no steps to initiate that action.

Several First Nations have commenced litigation claiming aboriginal title over their traditional lands and/or challenging provincial approvals regarding resource extraction on those lands. There are also several cases, which challenge the province's exclusive ownership of roads that traverse reserves and seek compensation for the use of those roads. The result of these actions is not determinable at this time. In one case, the court decided that the provincial government is in a fiduciary relationship with First Nations and is under a legal duty to negotiate in good faith. This result means the British Columbia Treaty Process is subject to judicial supervision. The case is under appeal.

Notes to Summary Financial Statements for the Fiscal Year Ended March 31, 2000—Continued

26. Contingencies and Commitments—Continued

(c) Uncertainty Due to the Year 2000 Issue

The Year 2000 Issue arises because many computerized systems use two digits rather than four to identify a year. Date–sensitive systems may recognize the year 2000 as 1900 or some other date, resulting in errors when information using year 2000 dates is processed. In addition, similar problems may arise in some systems which use certain dates in 1999 to represent something other than a date. Although the change in date has occurred, it is not possible to conclude that all aspects of the Year 2000 Issue that may affect the entity, including those related to customers, suppliers, or other third parties, have been fully resolved.

(d) Commitments

The government has ongoing operational and capital commitments to fund a variety of programs for public welfare including health, education, social services, protection of persons and properties, and management of natural resources. In addition, the government normally contracts out construction or maintenance of its roads, bridges and buildings. All these ongoing operational and capital commitments are detailed in the Estimates published yearly and are not repeated in this note. Any significant non–operating commitments (less than five years duration costing more than $50 million) and their completion costs would be detailed in this note. No significant non–operating commitments existed as at March 31, 2000.

Notes to Summary Financial Statements for the Fiscal Year Ended March 31, 2000—Continued

27. Taxation Revenue

	In Millions 2000	1999
	$	$
Personal income	5,839	5,423
Corporation income	943	1,102
Social service	3,347	3,222
Property	1,413	1,438
Other	2,192	2,325
	13,734	**13,510**

See notes at end of the Schedule of Net Revenue by Source on page 80 for additional information on taxation revenue.

28. Expense by Group Account Classification

	In Millions 2000	1999
	$	$
Grants and contributions	16,733	16,457
Salaries and benefits	2,074	2,347
Operating costs	2,143	2,289
Amortization	478	551
Interest[1]	1,769	1,970
Other[1]	1,345	769
	24,542	**24,383**

[1] For 1999/00, interest expense of $675 million (1999: $395 million) is included in Other.

29. Expense Due to Valuation Allowances

	In Millions 2000	1999
	$	$
Accounts receivable	48	35
Tangible capital assets	302	48
Investments	36	3
Inventories	6	
Loans, advances and mortgages receivable		4
	392	**90**

These amounts are included in Other in Note 28 and represent the writedown of assets in the above categories.

30. Comparison of Planned and Actual Results

In Millions

	2000						1999
	Revenue		Expense		Net		Net
	Budget[1]	Actual	Budget[1]	Actual	Budget[1]	Actual	Actual
	$	$	$	$	$	$	$
Consolidated Revenue Fund	20,155	21,846	21,045	22,200	(890)	(354)	(281)
Health sector	162	184	161	182	1	2	(2)
Education sector	72	71	72	71			1
Natural resources and economic development sector	492	726	799	782	(307)	(56)	(265)
Transportation sector	723	962	713	1,237	10	(275)	(107)
Social services sector	228	228	225	227	3	1	6
Other sector	633	623	571	571	62	52	53
Adjustments[2]		(46)		(728)		682	(408)
		24,594		**24,542**		**52**	**(1,003)**

[1] Budget numbers for Crown corporations and agencies are based on information provided by those organizations.

[2] Represents sectoral adjustments to conform to government accounting policies and to eliminate transactions that occurred between sectors, within sectors, and between sectors and the Consolidated Revenue Fund. Also includes the decrease in unremitted earnings in self-supported Crown corporations and agencies of $190 million (1999: increase of $95 million).

Notes to Summary Financial Statements for the Fiscal Year Ended March 31, 2000—Continued

31. Amounts Held in Trust and Administered by the Province

	In Millions 2000	1999
	$	$
Superannuation, pension and long–term disability funds[1,2] —administered by the Superannuation Commission	40,971	35,551
Sinking funds[1,5] —administered by British Columbia Investment Management Corporation (BCIMC)	4,902	4,746
Defeased trust funds[3,5] —administered by BCIMC	1,270	1,469
Investment funds of non–consolidated entities[4] —administered by BCIMC	207	119
—administered by BCIF Management Ltd	25	21
Public Trustee and Official Administrators —administered by government officials	596	588
Supreme, Provincial and County Court (Suitors' Funds) —administered by the Courts	27	27
Workers' Compensation Board of British Columbia[1,2,4]	7,551	6,958
Other trust funds —administered by various government officials	85	73
	55,634	**49,552**

[1] *See* the Trust Funds Financial Statements available on the Ministry of Finance and Corporate Relations' web site for the audited financial statements of superannuation and pension funds, the Workers' Compensation Board of British Columbia and most entities whose sinking funds are administered by BCIMC.

[2] The amounts for six of the superannuation and pension funds totalling $28,017 million (1999: $24,536 million) and for the Workers' Compensation Board of British Columbia (excluding the Workers' Compensation Board Superannuation Plan), have been taken from these funds' audited financial statements which have a different fiscal year–end than these financial statements.

[3] Defeased trust funds represent investments set aside to repay outstanding term debt and related interest payments. These defeased debts have been removed from the Balance Sheet of each taxpayer–supported and self–supported Crown corporation and agency and are considered extinguished for financial reporting purposes.

[4] Includes assets and liabilities not administered by BCIMC.

[5] Sinking funds include $3,800 million (1999: $3,703 million) and defeased trust funds include $1,042 million (1999: $1,175 million) held by BCIMC for the repayment of direct operating debt of the province.

Trust funds include amounts held and administered in trust, over which the province has no power of appropriation.

Notes to Summary Financial Statements for the Fiscal Year Ended March 31, 2000—Continued

32. Pension–related Expense Recovery

The total pension–related expense was a recovery of $288 million (1999: $196 million). This consisted of the following components: current period benefit costs of $486 million (1999: $445 million); prior period cost of plan amendment of $142 million (1999: nil); recovery of amortization of estimation adjustments of $217 million (1999: $136 million); recovery of employee and external employer contributions of $720 million (1999: $603 million); investment earnings on surplus of $74 million (1999: nil); and, cost of financing unfunded pension liability of $95 million (1999: $98 million).

The total pension–related expense for the Public Service Pension Plan was a recovery of $16 million (1999: expense of $73 million). This consisted of the following components: current period benefit costs of $171 million (1999: $130 million); prior period cost of plan amendment of $142 million (1999: nil); recovery of amortization of estimation adjustments of $138 million (1999: $57 million); recovery of employee and external employer contributions of $117 million (1999: nil); and, investment earnings on surplus of $74 million (1999: nil).

The total pension–related expense for the Municipal Superannuation Plan was a recovery of $198 million (1999: $198 million). This consisted of the following components: current period benefit costs of $167 million (1999: $167 million); recovery of amortization of estimation adjustments of $51 million (1999: $51 million); and, recovery of employee and external employer contributions of $314 million (1999: $314 million).

The total pension–related expense for the Teachers' Pension Plan was a recovery of $74 million (1999: $71 million). This consisted of the following components: current period benefit costs of $148 million (1999: $148 million); recovery of amortization of estimation adjustments of $28 million (1999: $28 million); recovery of employee and external employer contributions of $289 million (1999: $289 million); and, cost of financing unfunded pension liability of $95 million (1999: $98 million).

33. Significant Events

The following events had a significant financial impact on the province in fiscal year 2000:

(a) British Columbia Ferry Corporation has written down its assets by $240 million to reflect the estimated carrying value of the fast ferries. British Columbia Railway Company has written down its rail assets by $617 million because management determined there would not be sufficient future cash flow from certain of its rail segments to recover the net carrying value of the assets. The Vancouver Trade and Convention Centre Authority is in the process of winding up its operations as a result of the province cancelling the construction of the new convention centre on October 5, 1999. This resulted in the Authority writing down its assets by $62 million. The total impact of these events on the Summary Financial Statements is an increase in net deficit of $919 million

(b) Debt in the amount of $1,080 million owed by British Columbia Ferry Corporation to the Consolidated Revenue Fund was forgiven. There is no impact from this transaction on the Summary Financial Statements.

34. Comparatives

Certain of the comparative figures for the previous year have been restated to conform with the current year's presentation. These restatements have had no effect on the operating results as previously reported except as specifically noted.

Summary Financial Statements
Reporting Entity
for the Fiscal Year Ended March 31, 2000

Taxpayer–supported Crown Corporations and Agencies (Government Organizations) Recorded on a Consolidated Basis

Consolidated Revenue Fund

Health Sector

B.C. Health Care Risk Management Society
British Columbia Health Research Foundation
Canadian Blood Services[1]
Forensic Psychiatric Services Commission[2]
Health Facilities Association of British Columbia

Education Sector

Industry Training and Apprenticeship Commission
Private Post–Secondary Education Commission[3]

Natural Resources and Economic Development Sector

577315 British Columbia Ltd[2,4]
580440 B.C. Ltd[5]
B.C. Games Society
B.C. Pavilion Corporation
B.C. Society for the Distribution of Gaming Revenue to Charities
British Columbia Assets and Land Corporation
British Columbia Enterprise Corporation
British Columbia Securities Commission
British Columbia Trade Development Corporation
Columbia Basin Trust
Creston Valley Wildlife Management Authority Trust Fund
Discovery Enterprises Inc
Duke Point Development Limited
Fisheries Renewal BC
Forest Renewal BC
Homeowner Protection Office
Okanagan Valley Tree Fruit Authority
Oil and Gas Commission
Pacific National Exhibition
Science Council of British Columbia
Tourism British Columbia
Vancouver Trade and Convention Centre Authority

Transportation Sector

BC Transportation Financing Authority
British Columbia Ferry Corporation
British Columbia Transit
Rapid Transit Project 2000 Ltd
Victoria Line Ltd

Summary Financial Statements Reporting Entity for the Fiscal Year Ended March 31, 2000—Continued

Taxpayer–supported Crown Corporations and Agencies (Government Organizations) Recorded on a Consolidated Basis—continued

Social Services Sector

B.C. Community Financial Services Corporation
British Columbia Housing Management Commission
Provincial Rental Housing Corporation

Other Sector

B.C. Festival of the Arts Society
British Columbia Arts Council
British Columbia Assessment Authority
British Columbia Buildings Corporation
British Columbia Heritage Trust
British Columbia Systems Corporation
First Peoples' Heritage, Language and Culture Council
Legal Services Society
Organized Crime Agency of British Columbia Society[2]

Self–Supported Crown Corporations and Agencies (Government Enterprises) Recorded on a Modified Equity Basis

552513 British Columbia Ltd[6]
BCIF Management Ltd
British Columbia Hydro and Power Authority
British Columbia Investment Management Corporation[2]
British Columbia Liquor Distribution Branch
British Columbia Lottery Corporation
British Columbia Railway Company
Columbia Power Corporation
Insurance Corporation of British Columbia
Provincial Capital Commission

---

[1]This organization reflects a government partnership amongst Canadian provinces and is proportionally consolidated based upon the province's share (14.9%) of the total provincial contributions to the partnership.
[2]These organizations were established during the current year.
[3]This organization is included in the Summary Financial Statements starting in the current year because it meets the definition of a fully consolidated entity.
[4]This company has investments in Western Star Trucks Holdings Ltd.
[5]This company provides funding to the Vancouver Trade and Convention Centre Authority which, in turn, was constructing the Vancouver Trade and Convention Centre.
[6]This company owns shares in Skeena Cellulose Inc.

Summary Financial Statements
Balance Sheet by Sector
as at March 31, 2000

In Millions

	CRF[1]	Health	Education	Natural Resources	Transportation	Social Services	Other	Adjustments[2]	Total
Assets	$	$	$	$	$	$	$	$	$
Cash and temporary investments	885	32	3	523	51	28	27	(14)	1,535
Warehouse Program investments	1,320								1,320
Accounts receivable	2,534	1		29	17	5	23	(263)	2,346
Inventories	167	10		9	59				245
Due from the Province of British Columbia		21		211	22	6	22	(282)	
Due from other governments	241				22	6	2		271
Due from self-supported Crown corporations and agencies	417								417
Equity in self-supported Crown corporations and agencies	715							2,030	2,745
Loans, advances and mortgages receivable	294			50	2	56			402
Other investments	166			132	4	13			315
Loans for purchase of assets, recoverable from agencies	10,298							(2,768)	7,530
Other assets	276	13		1	47	9	13	(19)	340
Prepaid capital advances	8,021	519						(2,023)	6,517
Tangible capital assets	551	25		169	8,277	338	857		10,217
	25,885	**621**	**3**	**1,124**	**8,501**	**461**	**944**	**(3,339)**	**34,200**

Summary Financial Statements
Balance Sheet by Sector
as at March 31, 2000—Continued

In Millions

Liabilities and Net Equity	CRF[1]	Health	Education	Natural Resources	Transpor–tation	Social Services	Other	Adjust–ments[2]	Total
	$	$	$	$	$	$	$	$	$
Accounts payable and accrued liabilities	2,510	24		104	214	35	80	(96)	2,871
Due to other governments	91				13		1		105
Due to Crown corporations, agencies and funds	312	12	1	3		12		(258)	82
Due to the Province of British Columbia		16		142	68			(226)	
Deferred revenue	394	544	1	11	1,485	92	20	(2,023)	524
Unfunded pension liabilities	2,053								2,053
Taxpayer–supported debt	24,608			82	2,044	205	622	(2,767)	24,794
Self–supported debt	8,711								8,711
	38,679	596	2	342	3,824	344	723	(5,370)	39,140
Net equity (deficiency)	(12,794)	25	1	782	4,677	117	221	2,031	(4,940)
	25,885	**621**	**3**	**1,124**	**8,501**	**461**	**944**	**(3,339)**	**34,200**

[1] Consolidated Revenue Fund.

[2] Represents sectoral adjustments to conform to government accounting policies and to eliminate transactions between sectors, and between sectors and the Consolidated Revenue Fund.

Summary Financial Statements
Statement of Operations by Sector
for the Fiscal Year Ended March 31, 2000

In Millions

	CRF[1]	Health	Education	Natural Resources	Transportation	Social Services	Other	Adjustments[2]	Total
Revenue	$	$	$	$	$	$	$	$	$
Taxation	13,378			22	249		60	25	13,734
Natural resources	2,517			302				2	2,821
Fees and licences	1,548		1	39	372	5	1	5	1,965
Investment earnings	60	1		53		35	128	78	198
Miscellaneous	280	27		164	52			(120)	566
Contributions from the provincial government/self-supported Crown corporations and agencies	1,454	178	70	105	59	99	432	(1,102)	1,295
Contributions from the federal government	2,609				22	73		1,311	2,704
Recoveries								199	1,311
Total revenue	21,846	206	71	685	754	212	621		24,594
Expense									
Grants and contributions	16,959	26	5	123	17	125	11	(533)	16,733
Salaries and benefits	1,541	45	6	66	292	20	111	(7)	2,074
Operating costs	1,947	66	3	341	193	35	340	(782)	2,143
Amortization	102	1		8	318	6	43		478
Interest	835			6	133	13	59	723	1,769
Other	3,335	43	57	130	293	17	6	(2,536)	1,345
Recoveries	(2,519)							2,519	
Total operating expense	22,200	181	71	674	1,246	216	570	(616)	24,542
Surplus (deficit) for the year 1999/00	**(354)**	**25**	**0**	**11**	**(492)**	**(4)**	**51**	**815**	**52**
Surplus (deficit) for the year 1998/99	**(281)**	**9**	**0**	**(254)**	**(554)**	**(10)**	**50**	**37**	**(1,003)**

[1] Consolidated Revenue Fund.

[2] Represents sectoral adjustments to conform to government accounting policies and to eliminate transactions between sectors, and between sectors and the Consolidated Revenue Fund.

Statement of Self–Supported Crown Corporations and Agencies
Summary of Financial Position
as at March 31, 2000

In Millions

	Utility	Insurance	Liquor	Transpor–tation	Finance	Natural Resources	2000 Total	1999 Total
Assets	$	$	$	$	$	$	$	$
Cash and temporary investments	15	5,605	1	47	96	5	5,769	5,829
Accounts receivable	456	155	14	77	47	58	807	828
Inventories	77		63	28		69	237	229
Long–term investments	194					0	194	58
Tangible capital assets	9,392	141	13	1,184	26	156	10,912	11,314
Other assets	760	73	1	51	7	3	895	1,041
	10,894	**5,974**	**92**	**1,387**	**176**	**291**	**18,814**	**19,299**
Liabilities								
Accounts payable and accrued liabilities	739	4,176	89	175	102	51	5,332	5,140
Deferred revenue	977	1,323		26		2	2,328	2,473
Due to the Province of British Columbia	343				74		417	401
Long–term debt to the province	6,753			606		32	7,391	7,843
Other long–term debt	304		3	45		249	601	557
	9,116	5,499	92	852	176	334	16,069	16,414
Equity								
Investment by the Consolidated Revenue Fund	252			258			510	460
Unremitted earnings—end of year	1,526	475		277		(43)	2,235	2,425
	1,778	475		535		(43)	2,745	2,885
Total liabilities and equity	**10,894**	**5,974**	**92**	**1,387**	**176**	**291**	**18,814**	**19,299**

Statement of Self–Supported Crown Corporations and Agencies
Summary of Results of Operations and Statement of Equity
for the Fiscal Year Ended March 31, 2000

In Millions

	Utility[1]	Insurance[2]	Liquor[3]	Transportation[4]	Finance[5]	Natural Resources[6]	2000 Total	1999 Total
	$	$	$	$	$	$	$	$
Revenue	3,472	2,966	1,671	479	1,425	367	10,380	9,434
Expense	2,923	2,776	1,054	1,062	900	370	9,085	7,914
Net earnings of self–supported Crown corporations and agencies	549	190	617	(583)	525	(3)	1,295	1,520
Contributions paid to the Consolidated Revenue Fund	(343)		(617)		(416)		(1,376)	(1,348)
Adjustments to contributions[7]					(109)		(109)	(77)
Increase in unremitted earnings in self–supported Crown corporations and agencies	206	190		(583)		(3)	(190)	95
Unremitted earnings—beginning of year	1,320	285		860		(40)	2,425	2,380
Restatement of prior years' unremitted earnings[8]								(35)
Transfer to consolidated entity[9]								(15)
Unremitted earnings—end of year	1,526	475		277		(43)	2,235	2,425
Investment by the Consolidated Revenue Fund	252			258			510	460
Equity in self–supported Crown corporations and agencies for the year	**1,778**	**475**	**0**	**535**	**0**	**(43)**	**2,745**	**2,885**

[1]Utility—British Columbia Hydro and Power Authority and Columbia Power Corporation.
[2]Insurance—Insurance Corporation of British Columbia.
[3]Liquor—British Columbia Liquor Distribution Branch.
[4]Transportation—British Columbia Railway Company.
[5]Finance—British Columbia Lottery Corporation, BCIF Management Ltd, and British Columbia Investment Management Corporation.
[6]Natural Resources—552513 British Columbia Ltd and Provincial Capital Commission.
[7]These adjustments are for a number of different items: (a) a $2 million (1999: $5 million) payment to the Consolidated Revenue Fund (CRF) to pay for the Problem Gambling Program which is shown as a recovery by the CRF; (b) $86 million (1999: $68 million) paid to the CRF that was then transferred to the B.C. Society for the Distribution of Gaming Revenue to Charities; (c) a $20 million payment to the Gaming Policy Secretariat which is shown as a recovery by the CRF; (d) a $1 million payment to BC Gaming Commission which is shown as a recovery by the CRF; and (e) the figure for 1999 was adjusted by $4 million due to a restatement of contributions.
[8]This restatement is to record the impact of British Columbia Railway Company's change in accounting treatment for non–pension post–employment benefits.
[9]B.C. Community Financial Services Corporation and British Columbia Assets and Land Corporation were fully consolidated in the 1998/99 Summary Financial Statements as they no longer met the criteria of self–supported Crown corporations and agencies and, therefore, are no longer consolidated using the modified equity basis.

Summary Financial Statements
Statement of Tangible Capital Assets[1]
for the Fiscal Year Ended March 31, 2000

In Millions

	Land	Buildings	Highway Infra-structure[2]	Ferries	Transportation Equipment	Computer Hardware /Software	Other[2]	2000 Total	1999 Total
Historical Cost[3]	$	$	$	$	$	$	$	$	$
Opening cost	570	1,892	8,580	1,436	1,593	594	277	14,942	14,985
Inclusion of Crown corporations previously excluded									1
Additions	31	86	481	99	396	129	39	1,261	1,103
Disposals	(1)	(14)	(20)	(20)	(3)	(55)	(6)	(119)	(1,147)
Valuation adjustments[4]		(62)		(240)				(302)	
	600	1,902	9,041	1,275	1,986	668	310	15,782	14,942
Accumulated Amortization									
Opening balance		709	2,945	631	353	368	165	5,171	4,962
Amortization expense		79	231	33	23	87	25	478	551
Effect of disposals		(9)	(7)	(9)	(3)	(51)	(5)	(84)	(396)
Valuation adjustments									54
		779	3,169	655	373	404	185	5,565	5,171
Net book value	**600**	**1,123**	**5,872**	**620**	**1,613**	**264**	**125**	**10,217**	**9,771**

[1]This statement includes assets that are held on capital leases at March 31, 2000, at a net book value totalling $22 million (1999: $23 million) which is comprised of: ferries $21 million (1999: $23 million); and computer hardware/software $1 million (1999: nil).

[2]In 1999/00, highway infrastructure and specialized equipment (included in Other) were added to the existing tangible capital asset classes. *See* Note 24 Net Equity (Deficiency) for information relating to the impact of these changes on prior years.

[3]Historical cost includes work-in-progress at March 31, 2000, totalling $916 million (1999: $529 million) which is comprised of: buildings $53 million (1999: $68 million); highway infrastructure $263 million (1999: $198 million); ferries $23 million (1999: $258 million); transportation equipment $518 million (1999: $139 million); computer hardware/software $55 million (1999: $64 million); and specialized equipment $4 million (1999: nil).

[4]Primarily relates to the one-time write-down of the fast ferries.

Summary Financial Statements
Statement of Guaranteed Debt[1]
as at March 31, 2000

Guaranteed debt represents that debt of municipalities and other governments, private enterprises and individuals, and debt and minority interests of provincial Crown corporations, which has been explicitly guaranteed or indemnified by the government, under the authority of a statute, as to net principal or redemption provisions.

	In Millions	
	2000	1999
	Net Outstanding[1] $	Net Outstanding[1] $
Taxpayer–supported Guaranteed Debt		
Municipalities and other local governments:		
Municipal Act debentures	2	3
Subtotal, municipalities and other local governments	2	3
Government Services:		
Homeowner Protection Act loan guarantees	22	3
Subtotal, government services	22	3
Health and education:		
Financial Administration Act student aid loans	43	61
Subtotal, health and education	43	61
Economic development:		
Build BC Act debentures	6	6
Financial Administration Act:		7
C.M.A. Parking Association	3	3
District of Tumbler Ridge	1	3
Feeder Association's Loan Guarantee Program	23	28
Forest Renewal BC	2	1
Miscellaneous guarantees less than $1 million	24	32
Home Mortgage Assistance Program Act mortgages	4	5
Home Mortgage Assistance Program Act second mortgages[2]	63	85
Subtotal, economic development	130	152
Total taxpayer–supported guaranteed debt		

Summary Financial Statements
Statement of Guaranteed Debt[1]
as at March 31, 2000—Continued

Self–supported Guaranteed Debt	2000 Net Outstanding[1] $	1999 Net Outstanding[1] $
Economic development:		
British Columbia Railway Finance Act capital leases[3]	7	9
Financial Administration Act:		
Skeena Cellulose Inc[3]	156	124
Subtotal, economic development	163	133
Utilities:		
Hydro and Power Authority Act bonds and debentures[3]	192	205
Subtotal, utilities	192	205
Total self–supported guaranteed debt	355	338
Grand total, all guaranteed debt	485	490
Provision for probable payout	(17)	(18)
Net total, all guaranteed debt[4, 5]	**468**	**472**

[1] Guaranteed debt includes gross principal debt less sinking fund balances, and represents the total amount of contingent liability of the government arising from relevant guarantees. Amounts payable in foreign currency are translated into Canadian dollars at the rate of exchange prevailing at the fiscal year–end.

[2] The British Columbia Second Mortgage Program was sold to the Bank of Montreal in June 1989, with the condition that the province will buy back any mortgages which may become uncollectible in future years.

[3] *See* the financial statements of Crown corporations and agencies for details of maturity dates, interest rates and redemption features of the outstanding debt of these Crown agencies and for details of derivative financial products.

[4] The government has unconditionally guaranteed the payment of principal and interest for $79 million (1999: $96 million) of debentures issued to the Canada Pension Plan Investment Fund.

[5] Debentures totalling nil (1999: $41 million) have been defeased and are considered extinguished for financial reporting purposes.

Supplementary Information (Unaudited)

Public Accounts
1999/2000

Adjusted Net Income of Crown Corporations and Agencies for the Fiscal Year Ended March 31, 2000

(Unaudited)

In Millions

Taxpayer–Supported (Government Organizations)	Revenue	Expense	Net Income	Policy Adjustments	Equity Adjustments	Adjusted Net Income
	$	$	$	$	$	$
577315 BC Ltd	1	(3)	(2)			(2)
580440 BC Ltd	73	(73)				
B.C. Community Financial Services Corporation	2	(3)	(1)			(1)
B.C. Festival of the Arts Society	1	(1)				
B.C. Games Society	2	(2)				
B.C. Health Care Risk Management Society	26	(26)				
B.C. Pavilion Corporation	35	(35)		(1)		(1)
BC Society for the Distribution of Gaming Revenue to Charities	86	(86)		(6)		(6)
BC Transportation Financing Authority	400	(378)	22	(200)		(178)
British Columbia Arts Council						
British Columbia Assessment Authority	65	(62)	3			3
British Columbia Assets and Land Corporation	33	(25)	8	(3)	(7)	(2)
British Columbia Buildings Corporation	464	(419)	45	1	(71)	(25)
British Columbia Enterprise Corporation						
British Columbia Ferry Corporation	435	(734)	(299)	1,066		767
British Columbia Health Research Foundation	3	(4)	(1)	1		
British Columbia Heritage Trust	1	(1)				
British Columbia Housing Management Commission	208	(210)	(2)	(2)		(4)
British Columbia Securities Commission	27	(20)	7			7
British Columbia Systems Corporation						
British Columbia Trade Development Corporation						
British Columbia Transit	118	(118)		(1)		(1)
Canadian Blood Services	89	(86)	3	14		17
Columbia Basin Trust	15	(14)	1	3		4
Creston Valley Wildlife Management Authority Trust Fund	1	(1)				
Discovery Enterprises Inc	5		5	2		7
Duke Point Development Limited	1	(1)		(3)		(3)
First Peoples' Heritage, Language and Culture Council	1	(1)				
Fisheries Renewal BC	11	(14)	(3)			(3)
Forensic Psychiatric Services Commission	43	(43)		1		1
Forest Renewal BC	333	(332)	1			1

Adjusted Net Income of Crown Corporations and Agencies for the Fiscal Year Ended March 31, 2000—Continued
(Unaudited)

In Millions

	Revenue	Expense	Net Income	Policy Adjustments	Equity Adjustments	Adjusted Net Income
	$	$	$	$	$	$
Taxpayer–Supported (Government Organizations)—Continued						
Health Facilities Association of British Columbia	23	(23)		8		8
Homeowner Protection Office	3	(8)	(5)			(5)
Industry Training and Apprenticeship Commission	70	(70)				
Legal Services Society	87	(84)	3			3
Oil and Gas Commission	14	(15)	(1)	(3)		(4)
Okanagan Valley Tree Fruit Authority	7	(6)	1			1
Organized Crime Agency of British Columbia Society	4	(3)	1			1
Pacific National Exhibition	28	(29)	(1)	1		
Private Post–Secondary Education Commission	1	(1)				
Provincial Rental Housing Corporation	18	(14)	4	(2)		2
Rapid Transit Project 2000 Ltd						
Science Council of British Columbia	24	(29)	(5)	5		
Tourism British Columbia	27	(27)				
Vancouver Trade and Convention Centre Authority		(62)	(62)	70		8
Victoria Line Ltd	4	(1)	3	(2)		1
Net impact of taxpayer–supported Crown corporations and agencies	**2,789**	**(3,064)**	**(275)**	**949**	**(78)**	**596**
Self–Supported (Government Enterprises)						
552513 British Columbia Ltd	364	(367)	(3)			(3)
BCIF Management Ltd	1	(1)				
British Columbia Hydro and Power Authority	3,457	(3,041)	416	129	(343)	202
British Columbia Investment Management Corporation	16	(16)				
British Columbia Liquor Distribution Branch	1,670	(1,053)	617		(617)	
British Columbia Lottery Corporation	1,408	(876)	532	(116)	(416)	
British Columbia Railway Company	479	(1,061)	(582)			(582)
Columbia Power Corporation	15	(11)	4	(1)		3
Insurance Corporation of British Columbia	2,835	(2,739)	96	94		190
Provincial Capital Commission	3	(3)				
Net impact of self–supported Crown corporations and agencies	**10,248**	**(9,168)**	**1,080**	**106**	**(1,376)**	**(190)**

Summary Financial Statements
Schedule of Impact of Change in Reporting Entity on the Balance Sheet as at March 31, 2000
(Unaudited)

In Millions

	Summary Statements[1]	SUCH[2,3]	Adjust-ments[4]	Total[5]	Net Effect
Assets	$	$	$	$	$
Cash and temporary investments	1,535	1,057		2,592	1,057
Warehouse Program investments	1,320			1,320	
Accounts receivable	2,346	260	(20)	2,586	240
Inventories	245	29		274	29
Due from the Province of British Columbia		142	(142)		
Due from other governments	271	60		331	60
Due from self-supported Crown corporations and agencies	417			417	
Equity in self-supported Crown corporations and agencies	2,745			2,745	
Loans, advances and mortgages receivable	402	1		403	1
Other investments	315	849		1,164	849
Loans for purchase of assets, recoverable from agencies	7,530		(130)	7,400	(130)
Other assets	340	114		454	114
Prepaid capital advances	6,517		(6,517)		(6,517)
Tangible capital assets	10,217	9,015		19,232	9,015
	34,200	**11,527**	**(6,809)**	**38,918**	**4,718**
Liabilities and Net Equity					
Accounts payable and accrued liabilities	2,871	1,202	(139)	3,934	1,063
Due to other governments	105	9		114	9
Due to Crown corporations, agencies and funds	82	4	(19)	67	(15)
Due to the Province of British Columbia		4	(4)		
Deferred revenue	524	7,232	(6,517)	1,239	715
Unfunded pension liabilities	2,053			2,053	
Taxpayer-supported debt	24,794	505	(130)	25,169	375
Self-supported debt	8,711			8,711	
	39,140	8,956	(6,809)	41,287	2,147
Net equity (deficiency)	(4,940)	2,571		(2,369)	2,571
	34,200	**11,527**	**(6,809)**	**38,918**	**4,718**

[1] *See* Summary Financial Statements, Balance Sheet, on page 23.

[2] School districts, Universities, Colleges and institutes, Health care organizations and regional hospital districts. It also includes adjustments to conform to government accounting policies and to eliminate transactions that occurred within the SUCH entities.

[3] The government does not necessarily hold title to the assets of these organizations.

[4] Represents adjustments to eliminate transactions that occurred between the SUCH entities and other consolidated entities included in the Summary Financial Statements.

[5] Represents Summary Financial Statements including the SUCH entities.

Summary Financial Statements
Schedule of Impact of Change in Reporting Entity on the Statement of Operations for the Fiscal Year Ended March 31, 2000
(Unaudited)

	In Millions				
	Summary Statements[1]	SUCH[2]	Adjust-ments[3]	Total[4]	Net Effect
	$	$	$	$	$
Revenue					
Taxation	13,734	62		13,796	62
Natural resources	2,821			2,821	
Fees and licences	1,965	835		2,800	835
Investment earnings	198	141		339	141
Miscellaneous	566	753	(61)	1,258	692
Net earnings of self-supported Crown corporations and agencies	1,295	10,152	(10,152)	1,295	
Contributions from the federal government	2,704	151		2,855	151
Recoveries	1,311			1,311	
	24,594	12,094	(10,213)	26,475	1,881
Expense					
Health	8,081	5,577	(4,844)	8,814	733
Social services	3,114			3,114	
Education	6,050	6,469	(5,355)	7,164	1,114
Protection of persons and property	1,227			1,227	
Transportation	1,684			1,684	
Natural resources and economic development	1,435		(14)	1,421	(14)
Other	784			784	
General government	398			398	
Interest	1,769	61		1,830	61
Total operating expense	24,542	12,107	(10,213)	26,436	1,894
Surplus (deficit) for the year	**52**	**(13)**	**0**	**39**	**(13)**

[1] *See* Summary Financial Statements, Statement of Operations on page 24.
[2] Refers to School districts, Universities, Colleges and institutes, Health care organizations and regional hospital districts. It also includes adjustments to conform to government accounting policies and to eliminate transactions that occurred within the SUCH entities.
[3] Represents adjustments to eliminate transactions that occurred between the SUCH entities and other consolidated entities included in the Summary Financial Statements.
[4] Represents Summary Financial Statements including the SUCH entities.

Summary of Health Organizations
Balance Sheet
as at March 31, 2000
(Unaudited)

In Millions

	Health Sector (per Summary Statements)[1]	Health Authorities[2]	Regional Hospital Districts	Adjustments[3]	2000 Total	1999 Total
Assets	$	$	$	$	$	$
Cash and temporary investments	32	336	36		404	370
Warehouse Program investments						
Accounts receivable	1	149	1	(12)	139	86
Inventories	10				10	9
Due from Crown corporations, agencies and funds		2		(2)		4
Due from the Province of British Columbia	21	109	10		140	89
Due from other governments		18	2		20	31
Due from self–supported Crown corporations and agencies						
Equity in self–supported Crown corporations and agencies						
Loans, advances and mortgages receivable						1
Other investments		31			31	29
Loans for purchase of assets, recoverable from agencies						
Other assets	13	81	5		99	79
Prepaid capital advances	519		376	(895)		
Tangible capital assets	25	2,406	4		2,435	2,290
	621	**3,132**	**434**	**(909)**	**3,278**	**2,988**

Summary of Health Organizations
Balance Sheet
as at March 31, 2000—Continued
(Unaudited)

	In Millions					
	Health Sector (per Summary Statements)[1]	Health Authorities[2]	Regional Hospital Districts	Adjustments[3]	2000 Total	1999 Total
	$	$	$	$	$	$
Liabilities and Net Equity						
Accounts payable and accrued liabilities	24	610	7		641	481
Due to other governments		4			4	5
Due to Crown corporations, agencies and funds	12	6	1	(14)	5	6
Due to the Province of British Columbia	16	2	1		19	26
Deferred revenue	544	1,682	376	(895)	1,707	1,467
Unfunded pension liabilities		133	166		299	318
Taxpayer–supported debt	596	2,437	551	(909)	2,675	2,303
Self–supported debt	25	695	(117)		603	685
Net equity (deficiency)	**621**	**3,132**	**434**	**(909)**	**3,278**	**2,988**

[1] *See* Summary Financial Statements, Balance Sheet by Sector on page 56–57.
[2] Represents Hospital Societies, Community Health Service Societies, Health Regions and Boards, and Health Councils.
[3] Represents adjustments to eliminate transactions that occurred between these organizations.

Summary of Health Organizations
Statement of Operations
for the Fiscal Year Ended March 31, 2000
(Unaudited)

In Millions

	Health Sector (per Summary Statements)[1]	Health Authorities[2]	Regional Hospital Districts	Adjustments[3]	2000 Total	1999 Total
Revenue	$	$	$	$	$	$
Taxation			62		62	110
Natural resources		307			307	391
Fees and licences	1	16	1		18	20
Investment earnings	27	171	1	(7)	192	78
Miscellaneous	178	4,980	49	(51)	5,156	4,561
Contributions from the provincial government/self-supported Crown corporations and agencies		6	1		7	7
Contributions from the federal government						
Recoveries	206	5,480	114	(58)	5,742	5,167
Expense[4]						
Grants and contributions	26		31	(51)	6	4
Salaries and benefits	45	3,559			3,604	3,294
Operating costs	66	1,611	2		1,679	1,574
Amortization	1	204			205	186
Interest		4	43		47	168
Other	43	235	7	(7)	278	59
Total expense	181	5,613	83	(58)	5,819	5,285
Surplus (deficit) for the year	**25**	**(133)**	**31**	**0**	**(77)**	**(118)**

[1] *See* Summary Financial Statements Statement of Operations by Sector on page 58.
[2] Represents Hospital Societies, Community Health Service Societies, Health Regions and Boards, and Health Councils.
[3] Represents adjustments to eliminate transactions that occurred between these organizations.
[4] Does not include additional expenses in the amount of $2,840 million (1999: $2,918 million) made by the government for health care.

Summary of Education Organizations
Balance Sheet
as at March 31, 2000
(Unaudited)

In Millions

	Education Sector (per Summary Statements)[1]	Universities, Colleges and Institutes	School Districts	Adjustments[2]	2000 Total	1999 Total
	$	$	$	$	$	$
Assets						
Cash and temporary investments	3	308	378		689	633
Warehouse Program investments		100	23	(1)	122	138
Accounts receivable		29			29	28
Inventories		1		(1)		1
Due from Crown corporations, agencies and funds		7	5		12	14
Due from the Province of British Columbia		11	29		40	34
Due from other governments						
Due from self–supported Crown corporations and agencies						
Equity in self–supported Crown corporations and agencies						
Loans, advances and mortgages receivable		818			818	733
Other investments						
Loans for purchase of assets, recoverable from agencies		15	14		29	29
Other assets						
Prepaid capital advances		2,637	3,968		6,605	6,351
Tangible capital assets						
	3	**3,926**	**4,417**	**(2)**	**8,344**	**7,961**

Summary of Education Organizations
Balance Sheet
as at March 31, 2000—Continued
(Unaudited)

In Millions

Liabilities and Net Equity	Education Sector (per Summary Statements)[1]	Universities, Colleges and Institutes	School Districts	Adjustments[2]	2000 Total	1999 Total
	$	$	$	$	$	$
Accounts payable and accrued liabilities		248	339	(1)	586	583
Due to other governments		4			4	4
Due to Crown corporations, agencies and funds	1	1		(1)	1	
Due to the Province of British Columbia		1			1	1
Deferred revenue	1	1,688	3,862		5,551	5,251
Unfunded pension liabilities						
Taxpayer–supported debt		177	29		206	202
Self–supported debt						
	2	2,119	4,230	(2)	6,349	6,041
Net equity (deficiency)	1	1,807	187		1,995	1,920
	3	**3,926**	**4,417**	**(2)**	**8,344**	**7,961**

[1] *See* Summary Financial Statements Balance Sheet by Sector on page 56–57.
[2] Represents adjustments to eliminate transactions that occurred between these organizations.

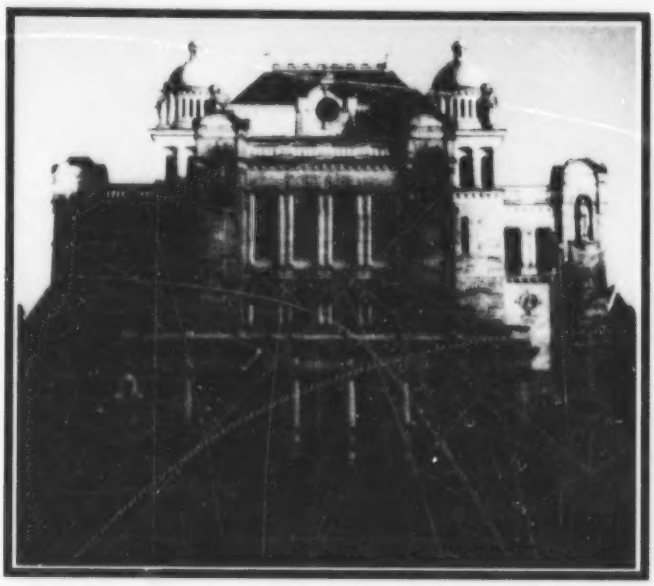
Summary of Education Organizations
Statement of Operations
for the Fiscal Year Ended March 31, 2000
(Unaudited)

In Millions

	Education Sector (per Summary Statements)[1]	Universities, Colleges and Institutes	School Districts	Adjustments[2]	2000 Total	1999 Total
	$	$	$	$	$	$
Revenue						
Taxation					529	529
Natural resources	1	411	117		123	84
Fees and licences		98	25		600	519
Investment earnings		561	43	(4)		
Miscellaneous					5,168	5,117
Contributions from the provincial government/self–supported Crown corporations and agencies	70	1,324	3,835	(61)	145	147
Contributions from the federal government		127	18			
Recoveries						
	71	2,521	4,038	(65)	6,565	6,396
Expense[3]						
Grants and contributions					61	63
Salaries and benefits	5	56			4,974	4,739
Operating costs	6	1,573	3,395		946	869
Amortization	3	480	467	(4)	356	341
Interest		176	180		13	14
Other		12	1		126	164
	57	104	26	(61)	6,476	6,190
	71	2,401	4,069	(65)	89	206
Surplus (deficit) for the year	**0**	**120**	**(31)**	**0**		

[1] *See* Summary Financial Statements Statement of Operations by Sector on page 58.
[2] Represents adjustments to eliminate transactions that occurred between these organizations.
[3] Does not include additional expenses in the amount of $807 million (1999: $708 million) made by the government for education.

Consolidated Revenue Fund Extracts (Unaudited)



Public Accounts
1999/2000

Consolidated Revenue Fund
Operating Result
for the Fiscal Year Ended March 31, 2000
(Unaudited)

In Millions

	2000		1999
Revenue Summary	Estimated $	Actual $	Actual $
Taxation	12,546	13,378	13,133
Natural resource	1,880	2,517	1,830
Other	1,928	1,888	1,831
Contributions from Crown corporations and agencies	1,679	1,454	1,362
Contributions from the federal government	2,352	2,609	2,150
Revenue allowance	(230)		
Net Consolidated Revenue Fund revenue	20,155	21,846	20,306
Expense Summary			
Health[1]	7,942	8,016	7,479
Social services	2,946	3,010	3,031
Education[1]	6,064	5,975	5,825
Protection of persons and property	1,038	1,108	1,071
Transportation[1]	626	1,697	790
Natural resources and economic development	857	953	932
Other	369	366	372
General government	263	240	249
Interest[1,2]	940	835	838
Total Consolidated Revenue Fund expense	21,045	22,200	20,587
Consolidated Revenue Fund operating result	**(890)**	**(354)**	**(281)**

[1] For 1999/00, interest expense of $455 million (1999: $395 million) is included in education expense, $131 million (1999: nil) is included in health expense and $89 million (1999: nil) is included in transportation expense. There was no interest expense related to health and transportation expense in 1998/99 because the province changed its method of funding these expenses on March 31, 1999.

[2] Interest expense does not include interest of $872 million (1999: $1,099 million) on borrowings under the Fiscal Agency Loan Program, interest of $11 million (1999: $18 million) on borrowings under the Warehouse Program, interest of $79 million (1999: $12 million) on borrowings under the Matched Book Program and interest of $0.5 million (1999: $0.3 million) on the cost of hedging of borrowings guaranteed by the province. These amounts are not included as the interest expense and recovery are offsetting.

Consolidated Revenue Fund
Schedule of Net Revenue by Source
for the Fiscal Year Ended March 31, 2000
(Unaudited)

In Millions

	2000		1999
	Estimated $	Actual $	Actual $
Taxation Revenue[1]			
Personal income	5,374	5,839	5,423
Corporation income	847	939	1,098
Social service	3,190	3,338	3,209
Fuel	436	470	653
Tobacco	478	498	505
Property—residential (school purpose)	512	529	511
Property—business (school purpose)	768	758	763
Property—rural area	65	63	61
Property transfer	216	245	223
Corporation capital	418	460	455
Insurance premium	198	199	195
Hotel room	73	86	80
Horse racing	4	3	3
Commissions on collection of public funds	(24)	(24)	(23)
Valuation adjustments	(9)	(25)	(23)
Total taxation revenue	12,546	13,378	13,133
Natural Resource Revenue			
Petroleum and natural gas:			
Natural gas royalties	205	328	194
Permits and fees	120	248	106
Petroleum royalties	68	94	62
	393	670	362
Minerals	29	47	44
Forests:			
Timber sales	803	1,041	815
Small Business Forest Enterprise Program	220	269	210
Logging tax	13	24	13
Other forests revenue	37	58	55
	1,073	1,392	1,093
Other:			
Water resources	376	397	322
Wildlife Act—fees and licences	14	15	15
	390	412	337
Commissions on collection of public funds	(1)	(1)	(1)
Valuation adjustments	(4)	(3)	(5)
	385	408	331
Total natural resource revenue	1,880	2,517	1,830

Consolidated Revenue Fund
Schedule of Net Revenue by Source
for the Fiscal Year Ended March 31, 2000—Continued
(Unaudited)

In Millions

	2000		1999
	Estimated $	Actual $	Actual $
Other Revenue			
Fees and licences:			
Medical Services Plan premiums	896	868	876
Motor vehicle licences and permits	334	336	329
Ministry of Attorney General fees	104	102	106
Real estate earnings of the Crown Land Special Account	69	55	44
Coquihalla Highway tolls	40	41	39
Registries Agency fees	37	36	36
Vital Statistics agency fees	10	10	10
Ministry of Health fees	23	24	23
Provincial Treasury Operations and Insurance and Risk Management Special Account	28	33	26
Safety inspection fees	16	16	16
Waste management fees	13	12	13
Public gaming licences and permits	1		6
Property tax collection fees	7	7	7
Financial Institutions Commission	2	2	2
Other fees and licences	58	25	35
Commissions on collection of public funds	(24)	(14)	(51)
Valuation adjustments	(33)	(5)	(33)
	1,581	1,548	1,484
Investment earnings	48	60	51
Miscellaneous:			
Fines and penalties	112	108	112
Maintenance of children			10
Insurance claim receipts	13	13	14
Other miscellaneous	94	114	101
Commissions on collection of public funds	(3)	(3)	(4)
Valuation adjustments	(1)	(4)	
	215	228	233
Asset dispositions	84	52	63
Total other revenue	1,928	1,888	1,831
Contributions from Crown corporations and agencies			
Taxpayer–supported Crown corporations and agencies:			
British Columbia Buildings Corporation	246	71	2
Other		7	12
Total contributions from taxpayer–supported Crown corporations and agencies	246	78	14

Consolidated Revenue Fund
Schedule of Net Revenue by Source
for the Fiscal Year Ended March 31, 2000—Continued
(Unaudited)

In Millions

	2000		1999
	Estimated $	Actual $	Actual $
Contributions from Crown corporations and agencies—Continued			
Self-supported Crown corporations and agencies:			
British Columbia Hydro and Power Authority	348	343	323
British Columbia Liquor Distribution Branch	620	617	616
British Columbia Lottery Corporation	424	416	369
Other	41		40
Total contributions from self-supported Crown corporations and agencies	1,433	1,376	1,348
Total contributions from Crown corporations and agencies	1,679	1,454	1,362
Contributions from the Federal Government			
Canada health and social transfer	2,208	2,438	1,968
National Training Act			7
Education (public schools)	72	81	75
Employability assistance for persons with disabilities	27	27	35
Young Offenders Act	1	2	2
Other payments	44	61	63
Total contributions from the federal government	2,352	2,609	2,150
Revenue allowance	(230)		
Net Consolidated Revenue Fund revenue	**20,155**	**21,846**	**20,306**
Revenue Collected for and Transferred to Crown Corporations, Agencies and Other Entities[2]			
Transfers to BC Transportation Financing Authority	(170)	(176)	(124)
Transfers to British Columbia Ferry Corporation	(64)	(65)	
Transfers to British Columbia Transit	(9)	(8)	(94)
Transfers to Greater Vancouver Transportation Authority	(185)	(182)	
Transfers to Forest Renewal BC	(114)	(302)	(177)
Transfers to Oil and Gas Commission	(13)	(13)	(6)
Transfers to Tourism British Columbia	(19)	(22)	(20)
Total	**(574)**	**(768)**	**(421)**

[1]Personal income tax and corporation income tax revenues are recorded after adjustment for tax credits. Personal income tax was reduced by $79 million (1999: $68 million) and corporation income tax was reduced by $41 million (1999: $10 million). The types of tax credits adjusting personal income tax and corporation income tax revenues are for foreign taxes, logging taxes, venture capital, political contributions, low income rent reductions, low income tax rebates and royalty tax rebates.

Personal income tax revenue is also reduced by $103 million (1999: $112 million) which represents that portion of the Family Bonus Program costs recorded against revenue.

Additional personal income tax and corporation income tax refunds are issued under the *International Financial Business (Tax Refund) Act*. Personal income tax refunds were $0.4 million (1999: $0.2 million) and corporation income tax refunds were $2.1 million (1999: $3.3 million).

Property—residential (school purpose) revenue is net of home owner grants of $487 million (1999: $475 million).

[2]The Revenue Collected for and Transferred to Crown Corporations, Agencies and Other Entities has been reduced from their revenue sources.

Consolidated Revenue Fund
Schedule of Comparison of Estimated Expenses to Actual Expenses for the Fiscal Year Ended March 31, 2000
(Unaudited)

In Thousands

Special Offices, Ministries and Other Appropriations	Estimated	Other Authorizations	Total Authorizations	Actual
	$	$	$	$
Legislation	36,593		36,593	34,330
Officers of the Legislature	28,236	439	28,675	28,145
Office of the Premier	2,130		2,130	2,100
Aboriginal Affairs	33,351	20	33,371	31,778
Advanced Education, Training and Technology	1,755,228	52,610	1,807,838	1,783,535
Agriculture, Food and Fisheries	56,869	20,059	76,928	76,209
Attorney General	917,721	89,865	1,007,586	999,142
Children and Families	1,481,539	(126,398)	1,355,141	1,350,028
Community Development, Cooperatives and Volunteers		5,307	5,307	3,817
Education	4,348,722	19,860	4,368,582	4,348,744
Employment and Investment	130,679	(93,287)	37,392	34,354
Energy and Mines	36,683	557	37,240	35,146
Environment, Lands and Parks	194,770	7,360	202,130	199,385
Finance and Corporate Relations	279,946	(163,505)	116,441	114,848
Fisheries	19,332	(19,332)		
Forests	495,076	12,711	507,787	491,149
Health	7,720,084	245,406	7,965,490	7,965,277
Labour	24,045	3,814	27,859	27,671
Multiculturalism and Immigration		111,874	111,874	111,814
Municipal Affairs	142,420	3,330	145,750	145,138
Small Business, Tourism and Culture	83,700	3,470	87,170	86,433
Social Development and Economic Security	1,554,005	411,588	1,965,593	1,959,549
Transportation and Highways	462,849	100	462,949	461,119
Women's Equality	38,055	7,214	45,269	44,561
Management of public funds and debt	940,000		940,000	834,900
BC Benefits	222,200	(38,543)	183,657	183,657
Contingencies (all ministries) and New Programs	110,000		110,000	107,900
Commissions on collection of public funds and allowance for doubtful accounts	1		1	
Environmental Assessment and Land Use Coordination	15,100	311	15,411	14,135
Environmental Boards and Forest Appeals Commission	1,995		1,995	1,412
Forest Practices Board	5,220		5,220	4,674
Public Sector Employers' Council	3,161		3,161	2,981
Public Service Employee Relations Commission	12,891	(12,891)		
Insurance and Risk Management Special Account	8,854	6,281	15,135	15,135
British Columbia Ferry Corporation debt forgiveness		1,079,991	1,079,991	1,079,991
Kemess Mine writedown		32,756	32,756	32,756
Vancouver Trade and Convention Centre writedown		70,000	70,000	69,960
Change in Accounting Policy for Pension		(351,786)	(351,786)	(351,786)
Amortization of change in unfunded pension liability	(116,455)		(116,455)	(129,603)
Total Consolidated Revenue Fund expense	**21,045,000**	**1,379,181**	**22,424,181**	**22,200,384**

Consolidated Revenue Fund
Schedule of Comparison of Estimated Expenses to Actual Expenses for the Fiscal Year Ended March 31, 2000—Continued
(Unaudited)

In Thousands

Summary of Appropriations	Estimated	Other Authorizations	Total Authorizations	Actual
	$	$	$	$
Voted expense	20,811,511	195,417	21,006,928	20,826,956
Statutory:				
Special Accounts	464,031	126,594	590,625	585,100
Special Fund	10	12,842	12,852	12,852
Special Warrants		374,100	374,100	348,948
Various Acts		1,237,482	1,237,482	1,237,482
Inter–account transfers	(114,097)	(250,165)	(364,262)	(364,262)
Valuation allowances		34,697	34,697	34,697
Change in Accounting Policy for Pension		(351,786)	(351,786)	(351,786)
Amortization of change in unfunded pension liability	(116,455)		(116,455)	(129,603)
Total expense by appropriation—1999/00	**21,045,000**	**1,379,181**	**22,424,181**	**22,200,384**
Total expense by appropriation—1998/99	**20,536,000**	**416,218**	**20,952,218**	**20,587,361**

Consolidated Revenue Fund
Schedule of Financing Transactions
For the Fiscal Year Ended March 31, 2000
(Unaudited)

In Thousands

	Estimated	Other Authorizations	Total	Actual Disbursements
Special Offices, Ministries and Other Appropriations	$	$	$	$
Legislation	506		506	417
Officers of the Legislature	6,710		6,710	6,467
Aboriginal Affairs	13,369		13,369	13,188
Advanced Education, Training and Technology	154,224	457,548	611,772	458,901
Agriculture, Food and Fisheries	54,100	337	54,437	51,303
Attorney General	16,792	2,700	19,492	16,777
Children and Families	19,499		19,499	10,599
Community Development, Cooperatives and Volunteers		38	38	38
Education	344,189	(24)	344,165	419,307
Employment and Investment	75,373	(191)	75,182	62,528
Energy and Mines	15,697		15,697	13,672
Environment, Lands and Parks	6,388	1,569	7,957	5,959
Finance and Corporate Relations	1,123,903	(449,427)	674,476	663,241
Fisheries	337	(337)		
Forests	142,231	187,481	329,712	311,362
Health	385,714		385,714	239,725
Labour	1,907	188	2,095	1,705
Multiculturalism and Immigration		3,196	3,196	3,049
Municipal Affairs	270	6	276	276
Small Business, Tourism and Culture	1,946		1,946	1,659
Social Development and Economic Security	11,796	2,276	14,072	11,779
Transportation and Highways	5,215		5,215	4,497
Women's Equality	50		50	21
BC Benefits	1,135		1,135	961
Other Appropriations	11,449	(3,096)	8,353	6,129
Total Consolidated Revenue Fund disbursements	**2,392,800**	**202,264**	**2,595,064**	**2,303,560**
Summary of Appropriations				
Loans, investments and other requirements	187,054		187,054	154,114
Prepaid capital advances	1,286,800		1,286,800	1,082,377
Revenue collected for, and transferred to other entities.	730,500	197,889	928,389	919,412
Capital Expenditures:				
Information systems	156,613	6	156,619	115,920
Land	1,690	1,569	3,259	1,720
Roads, bridges and ferries	17,554		17,554	2,194
Tenant improvements		2,800	2,800	9,961
Buildings	695		695	1,079
Vehicles	5,366		5,366	4,640
Specialized equipment	10,876		10,876	12,489
Recoveries	(4,348)		(4,348)	(346)
Total financing transactions by appropriation	**2,392,800**	**202,264**	**2,595,064**	**2,303,560**

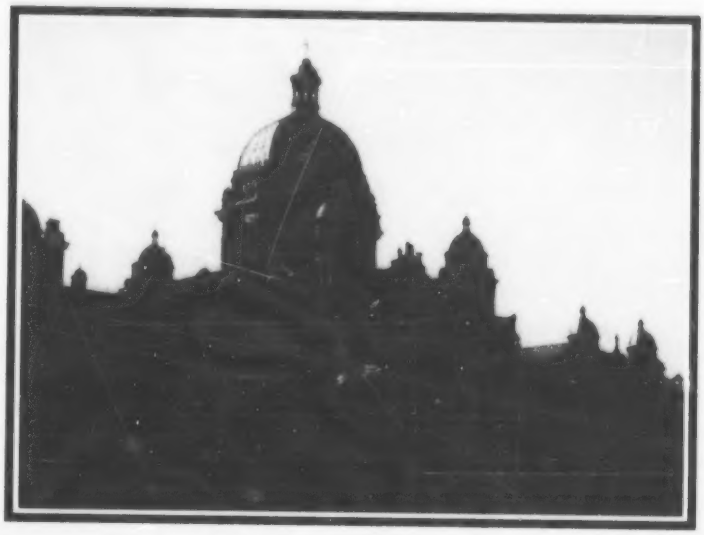
Consolidated Revenue Fund
Schedule of Information Required Under Section 10(c)(iv),(v) and (vi) of the *Financial Administration Act* for the Fiscal Year Ended March 31, 2000
(Unaudited)

In Millions

Ministry	Assets, Debts and Obligations Written Off	Debts and Obligations Extinguished	Remissions Made
	$	$	$
Advanced Education, Training and Technology	10		
Attorney General	2		
Employment and Investment		1	
Finance and Corporate Relations	74		
Forests	2		
Health	10		2
Human Resources	4		
Labour		1,080	
Transportation and Highways	1	1	
Total 1999/00	**103**	**1,082**	**2**
Total 1998/99	**31**	**19**	**6**

This statement includes amounts authorized by sections 17, 18 and 19 of the *Financial Administration Act*. Amounts authorized for write-off, forgiveness or remission by other statutes are not shown separately in these financial statements.

Provincial Debt Summary



Public Accounts
1999/2000

Overview of Provincial Debt
(Unaudited)

The provincial government and its Crown corporations incur debt to finance operations and capital projects. Borrowing for operations is required when revenues fall short of expenditures and to meet other cash requirements such as loans and investments. Borrowing for capital projects finances the building of schools, hospitals, roads, public transit and other social and economic capital assets. As these investments provide essential services over several years, the government, like the private sector, borrows to fund these projects and amortizes the costs over the asset's useful life.

Provincial debt is reported using two basic classifications: (1) taxpayer–supported debt; and (2) self–supported debt.

Taxpayer–supported Debt— includes government direct debt, which is incurred for government operating and capital purposes, and the debt of those Crown corporations and agencies which require an operating or debt service subsidy from the provincial government or which are fully consolidated in the Summary Financial Statements. Examples include debt of the British Columbia Ferry Corporation, British Columbia Buildings Corporation, and BC Transportation Financing Authority.

Self–supported Debt— includes the debt of commercial Crown corporations and agencies as well as the Warehouse Program. Commercial Crown corporations and agencies generate sufficient revenues to cover interest costs and repay principal, and may pay dividends to the province. The British Columbia Hydro and Power Authority and British Columbia Railway Company are examples of commercial Crown corporations. The Warehouse Program is used to take advantage of borrowing opportunities in advance of requirements. Eventually, this debt is allocated to the province, Crown corporations or agencies; in the interim, the funds are invested at market rates.

The following provincial debt summary provides additional detailed information and related key indicators and benchmarks to allow a more informed assessment of the debt totals. A reconciliation is also provided to explain the differences between the Debt Statistics report and the Summary Financial Statements.

The total provincial debt as at March 31, 2000 was $34,221 million which consists of the $33,505 million in the Summary Financial Statements, together with $586 million in additional debt of self-supported Crown corporations and agencies and $130 million in third-party guaranteed debt.

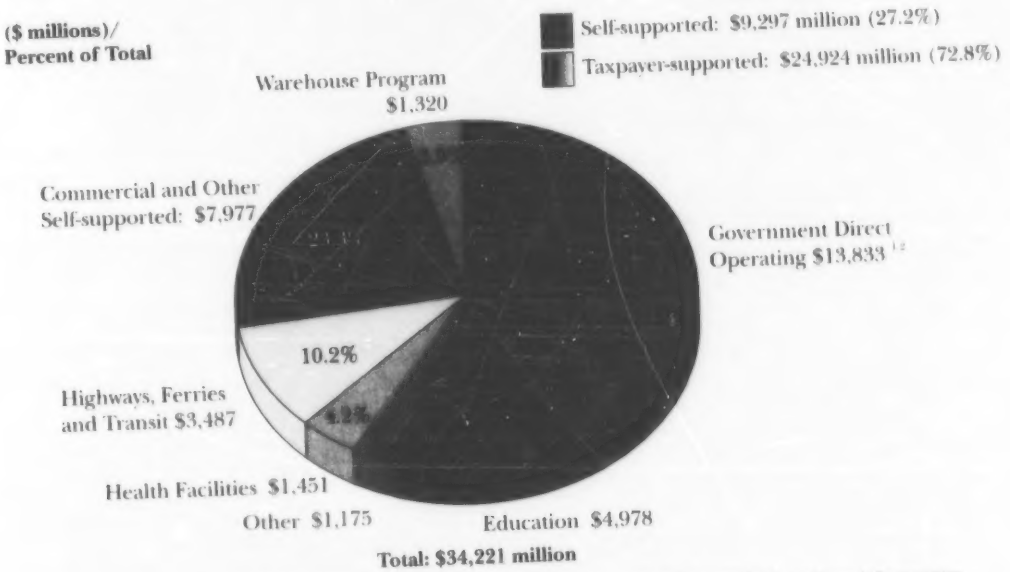
Provincial Net Debt as at March 31, 2000 (Unaudited)

The accumulated provincial net debt of $34,221 million has been incurred for various purposes as shown in Chart 1 below. Over the years, borrowing activity has contributed to economic development in the province and has provided resources to deliver health, education and social programs, and transportation infrastructure.

At March 31, 2000, taxpayer-supported debt totalled $24,924 million—including debt incurred for government operating purposes ($13,833 million), educational facilities ($4,978 million), health facilities ($1,451 million), transportation infrastructure ($3,487 million) and other debt ($1,175 million). Other debt is comprised mainly of British Columbia Buildings Corporation, social housing, and loans to universities and colleges.

At March 31, 2000, self-supported debt totalled $9,297 million—including debt of commercial Crown corporations and agencies ($7,977 million) and the Warehouse Program ($1,320 million). Commercial debt includes the debt of British Columbia Hydro and Power Authority, British Columbia Railway Company, Skeena Cellulose Inc. and Columbia Basin Power Company.

Chart 1



[1]Operating debt includes a portion of highway infrastructure debt incurred prior to 1994/95, and ferry infrastructure debt transferred in 99/00.
[2]Amount includes debt to finance operating deficits.

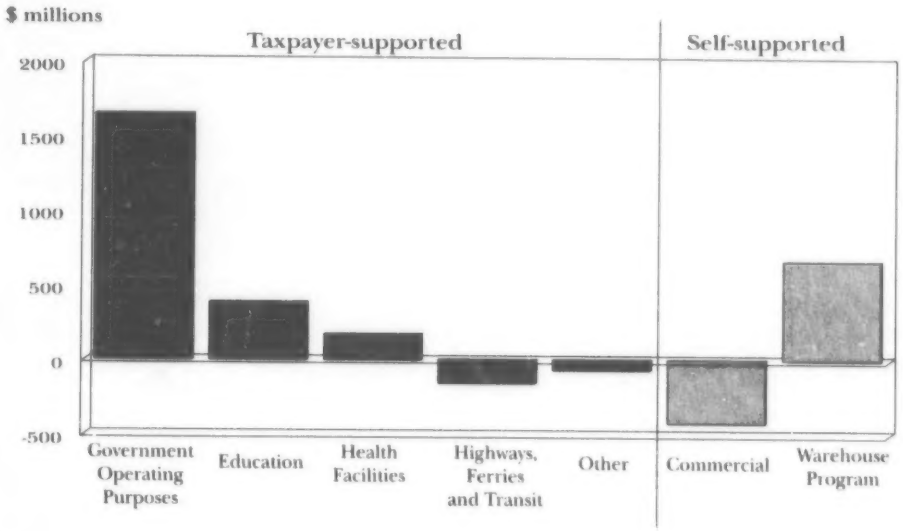
Change in Provincial Net Debt
(Unaudited)

Provincial net debt increased by $2,214 million in 1999/00; of this, taxpayer–supported debt increased by $1,974 million and self–supported debt increased by $240 million (*see* Chart 2 below).

Taxpayer–supported Debt—The 1999/00 increase of $1,974 million was related to the $1,643 million increase in government operating debt, of which $1,080 million was due to the assumption of the British Columbia Ferry Corporation debt and the remainder was used to finance the deficit, working capital and other financing transactions. Increases of $381 million were used to finance education infrastructure and $169 million for health facilities. There was a net decrease in transportation related debt of $154 million, which reflects new capital financing of $926 million to finance ferries, highways, and public transit infrastructure, including the SkyTrain extension. This amount was offset by the assumption by the province of British Columbia Ferry Corporation debt of $1,080 million. There was a reduction in other debt of $65 million.

Self–supported Debt—The 1999/00 increase of $240 million is explained by a net increase in the Warehouse Program debt of $662 million due to additional borrowing in advance of 2000/01 requirements, offset by a decrease in the commercial Crown corporation debt of $422 million, primarily related to the reduction in the debt of British Columbia Hydro and Power Authority, which had strong earnings.

Chart 2



Reconciliation of Summary Accounts Deficit to Change in Taxpayer–Supported Debt and Total Debt for the Fiscal Year Ended March 31, 2000

(Unaudited)

	In Millions 2000	1999
Taxpayer–Supported Debt	$	$
Summary accounts (surplus) deficit for the year	(52)	1,003
Self–supported Crown corporation and agency income in excess of contributions to the Consolidated Revenue Fund	(190)	95
Adjustment for expenses not requiring working capital or other borrowing	(1,261)	(1,007)
Accounts receivable, accounts payable and other working capital net changes	1,316	(116)
Total operating requirement	(187)	(25)
Capital requirements:		
Prepaid capital advances	716	504
Tangible capital asset expenditures	1,236	438
Net loan, investment and other requirements	209	69
Net increase in taxpayer–supported debt	1,974	986
Taxpayer–supported debt—beginning of year	22,950	21,964
Taxpayer–supported debt—end of year	24,924	22,950
Self–Supported Debt		
Warehouse Program	1,320	658
552513 British Columbia Ltd (Skeena Cellulose Inc.)	280	221
British Columbia Hydro and Power Authority	6,945	7,474
British Columbia Railway Company	655	607
Other	97	97
Total self–supported debt	9,297	9,057
Total debt[1]	**34,221**	**32,007**

Reconciliation of Total Debt to the Summary Financial Statement Debt as at March 31, 2000

(Unaudited)

Total debt	34,221	32,007
Debt included as part of equity in self–supported Crown corporations and agencies	(586)	(554)
Contingent liabilities for debt of individuals and organizations that have been guaranteed by the province	(130)	(152)
Summary Financial Statements debt	**33,505**	**31,301**
Comprised of:		
Taxpayer–supported debt	24,794	22,798
Self–supported debt	8,711	8,503
	33,505	**31,301**

[1] Total debt, as defined in the Debt Statistics report, includes the debt of commercial Crown corporations and agencies, and debt of individuals and organizations guaranteed by the province.

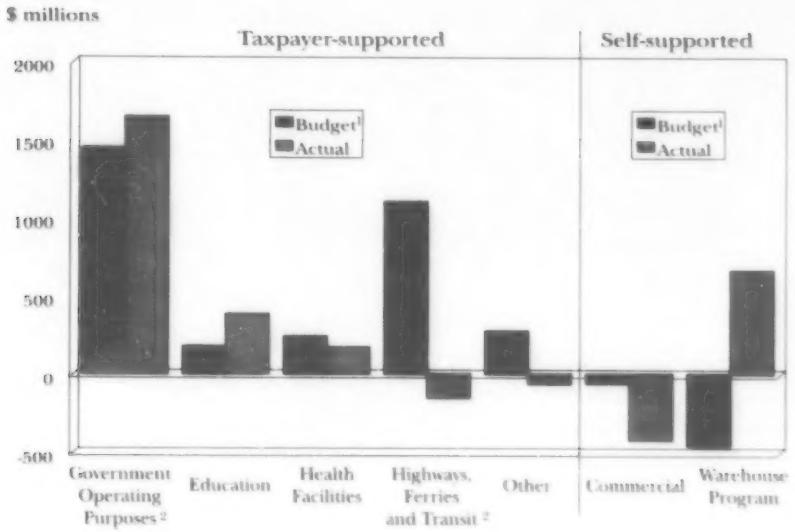
Comparison to Budget
(Unaudited)

The change in provincial net debt was $501 million less than originally budgeted (per Budget 99 estimate, adjusted to reflect final Public Accounts balance at March 31, 1999). Chart 3 below shows the difference between the actual change in provincial debt and the budgeted change by major category. The change in taxpayer–supported debt was $1,260 million less than budget, offset by the change in self–supported debt which was $759 million higher than budget.

Taxpayer–supported Debt—The change was $1,260 million lower than budget, due primarily to the lower than expected Consolidated Revenue Fund operating and financing requirements, cancellation of the Vancouver Trade and Convention Centre project, delayed transportation and health capital expenditures offset by increased schools capital financing.

Self–supported Debt—The change was $759 million higher than budget, due to the change in Warehouse Program debt being $1,120 million higher than planned, reflecting borrowing in advance of 2000/01 requirements offset by the change in the commercial Crown corporations debt being $361 million lower than expected (primarily due to reduced British Columbia Hydro and Power Authority debt).

Chart 3



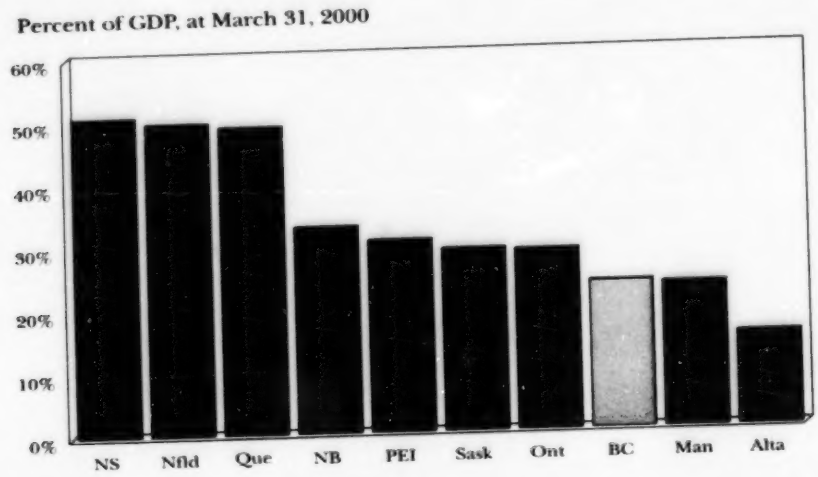
[1]Adjusted to reflect final public account balances at March 31, 1999.

[2]Effective March 31, 2000, the Province assumed the fiscal agency loans of the BC Ferry Corporation ($1,080 million).

Interprovincial Comparison of Taxpayer–supported Debt as a Percentage of Gross Domestic Product
(Unaudited)

Chart 4 below shows the ratio of each province's taxpayer–supported debt as a percentage of their gross domestic product (GDP). The ratio of a province's taxpayer–supported debt relative to its GDP highlights the ability of a province to service its debt load. This rating is often used by investors and credit rating agencies when assessing a province's investment quality. British Columbia's taxpayer–supported debt ratio is one of the lowest in Canada and this translates into a strong credit rating and relatively low debt servicing costs. Chart 4 shows that, according to the Moody's Investors Services, British Columbia has the third lowest taxpayer–supported debt to GDP ratio of all provinces.

Chart 4



Source: Moody's Investors Service, July 2000

More comprehensive information on the debt of the province and its Crown corporations and agencies is provided in the annual Debt Statistics report. This document is issued concurrently with the Public Accounts and provides more detailed information to assist the reader in assessing the province's debt position. This report is available on the Internet at: www.fin.gov.bc.ca.

Report of the Auditor General of British Columbia

ON THE SUMMARY OF PROVINCIAL NET DEBT, KEY INDICATORS OF PROVINCIAL DEBT, AND SUMMARY OF KEY BENCHMARKS

To the Legislative Assembly
of the Province of British Columbia

The Government of British Columbia, in its Budget '95 (Report E), presented a debt management plan. In that plan, the Government stated that it will annually provide an audited report on its progress in meeting plan goals and benchmarks.

In Budget '97 (Report C), the Government introduced a financial management plan with new benchmarks, to replace its debt management plan. In Budget '98 (Report C) the Government modified the benchmarks in its financial management plan, and in Budget '99 (Report B) it introduced a 5-year fiscal planning framework as a focus of its financial management plan, and again modified benchmarks.

Each year since 1995, at the Minister of Finance and Corporate Relations' request, the Auditor General has provided a special report to the Legislative Assembly on the completeness and accuracy of the three debt related statements prepared by the Government. These statements are the Summary of Provincial Net Debt, Key Indicators of Provincial Debt, and Summary of Key Benchmarks, through which the Government outlines its management of the provincial debt by comparing the fiscal year's actual results with those of the prior year for provincial debt and its indicators, and to the budgeted indicators and benchmarks.

Consistent with prior years, in these statements, and in budgets, provincial debt includes debt of the government reporting entity as defined by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants but does not include amounts borrowed from private lenders directly by School Districts, Universities, Colleges and Institutes, Public Health Care Organizations and Regional Hospital Districts. For the 1999/2000 fiscal year, the outstanding balance of these excluded borrowings amounted to $375 million ($383 million for 1998/1999).

The preparation of the three statements named above is the responsibility of the Government. My responsibility is to express an opinion on the completeness and accuracy of such information based on the above definition of provincial debt.

AUDITOR GENERAL'S REPORT
ON THE SUMMARY OF PROVINCIAL NET DEBT,
KEY INDICATORS OF PROVINCIAL DEBT, AND
SUMMARY OF KEY BENCHMARKS

Scope

I examined financial and other information included in the statements titled Summary of Provincial Net Debt as at March 31, 2000, Key Indicators of Provincial Debt for the Fiscal Year ended March 31, 2000, and Summary of Key Benchmarks for the Fiscal Year ended March 31, 2000 in accordance with procedures I considered necessary in the circumstances. These procedures include the verification of financial information extracted from financial statements audited by myself or by other auditors whose work I have reviewed on a test basis. They also include confirming or assessing the reasonableness of the statistical data used by the government on the Province's population and gross domestic product; however, I did not perform an audit of such data. I also assessed the appropriateness of the calculation and presentation of the information contained in the statement.

Opinion

As a result of applying these procedures, I am of the opinion that the information included in the statements titled *Summary of Provincial Net Debt as at March 31, 2000*, *Key Indicators of Provincial Debt for the Fiscal Year ended March 31, 2000*, and *Summary of Key Benchmarks for the Fiscal Year ended March 31, 2000* are, in all significant respects, consistent with the sources from which they are extracted, and are presented in a manner consistent with the requirements of the fiscal planning framework.

Disclaimer

I have not been associated with the development of the Government plans to manage provincial debt or the five-year fiscal planning framework, nor have I audited them. The planning is the responsibility of the government. My responsibility is limited to examining the information included in the statements specifically referred to in the above scope paragraph, based on the definition of provincial debt as outlined in the preamble to this report.

Wayne Strelioff

Victoria, British Columbia
June 23, 2000

Wayne Strelioff, CA
Auditor General

OFFICE OF THE
Auditor General
of British Columbia

Summary of Provincial Net Debt[1] as at March 31, 2000

	In Millions 2000	1999
Taxpayer-supported Debt	$	$
Provincial government direct operating[2]	13,833	12,190
Education[3]		
Schools	3,609	3,261
Post-secondary institutions	1,369	1,336
	4,978	4,597
Health Facilities[3]	1,451	1,282
Highways, ferries and public transit		
BC Transportation Financing Authority	1,843	1,433
British Columbia Ferry Corporation[2]	24	973
British Columbia Transit	79	59
Public transit[3]	952	987
SkyTrain extension[3]	488	133
Rapid Transit Project 2000 Ltd	101	56
	3,487	3,641
Other		
British Columbia Buildings Corporation	615	715
Social housing[4]	205	183
Homeowner Protection Office	32	11
Universities and colleges	130	137
577315 British Columbia Ltd (Western Star Trucks Holdings Ltd)	62	
580440 British Columbia Ltd (Vancouver Trade and Convention Centre)[2]	3	29
Local governments	9	10
Other[5]	119	155
	1,175	1,240
Total taxpayer-supported debt	24,924	22,950
Self-supported Debt		
Commercial Crown corporations and agencies		
British Columbia Hydro and Power Authority	6,945	7,474
British Columbia Railway Company	655	607
552513 British Columbia Ltd (Skeena Cellulose Inc)[6]	280	221
Columbia Basin Power Company[7]	94	94
Liquor Distribution Branch	3	3
	7,977	8,399
Warehouse Borrowing Program	1,320	658
Total self-supported debt	9,297	9,057
Total provincial debt	**34,221**	**32,007**

Key Indicators of Provincial Debt[1] for the Fiscal Year Ended March 31, 2000

	2000		1999
	Budget[8]	Actual	Actual
Debt to Revenue (percent)			
Total provincial	113.9	101.6	102.3
Taxpayer–supported	116.9	100.6	98.6
Debt per Capita ($)			
Total provincial	8,582	8,506	8,006
Taxpayer–supported	6,472	6,195	5,740
Debt to GDP (percent)			
Total provincial	31.7	29.9	28.8
Taxpayer–supported	23.9	21.8	20.7
Interest Bite (cents per dollar of revenue)			
Total provincial	8.7	7.5	7.8
Taxpayer–supported	8.6	7.1	7.4
Interest Costs ($ millions)			
Total provincial	2,640	2,528	2,452
Taxpayer–supported	1,934	1,762	1,723
Interest Rate (percent)			
Taxpayer–supported	7.4	7.4	7.7
Background Information:			
Revenue ($ millions)			
Total provincial	30,489	33,679	31,294
Taxpayer–supported	22,403	24,784	23,285
Total Debt ($ millions)			
Total provincial	34,722	34,221	32,007
Taxpayer–supported	26,184	24,924	22,950
Provincial GDP ($ millions)*	109,540	114,480	110,948
Population (thousands at July 1)**	4,046	4,023	3,998

*GDP for the year ending in the fiscal year (e.g. GDP for 1999 is used for the fiscal year ending March 31, 2000). GDP for 1999 is a Ministry of Finance and Corporate Relations estimate (GDP numbers were not available from Statistics Canada at the time of publication).

**Population at July 1st within the fiscal year (e.g. population at July 1, 1999, is used for the fiscal year ending March 31, 2000).

Summary of Key Benchmarks for the Fiscal Year Ended March 31, 2000

	2000 Benchmark	2000 Actual
Taxpayer–supported debt as a percent of provincial GDP	22.0 to 27.0[8]	21.8
Taxpayer–supported interest expense per dollar of revenue (cents)	cap of 9.0[9]	7.1

[1]Net debt is after deduction of sinking funds and unamortized discounts, and excludes accrued interest. Government direct and fiscal agency debt accrued interest is reported in the government's accounts as an account payable. Figures for 1999 provincial net debt and key indicators of provincial debt have been restated to conform with the presentation used for 2000.

[2]Effective March 31, 2000, the provincial government assumed responsibility for the fiscal agency loans of the British Columbia Ferry Corporation ($1,080 million) and 580440 British Columbia Ltd (Vancouver Trade and Convention Centre—$70 million).

[3]Represents government direct debt incurred for capital financing of education and health facilities and public transit infrastructure.

[4]Includes the British Columbia Housing Management Commission and Provincial Rental Housing Corporation.

[5]Includes debt of the British Columbia Assessment Authority, Pacific Racing Association (fiscal agency loans), Victoria Line Ltd., student assistance loans, loans guaranteed to agricultural producers, guarantees issued under economic development assistance programs and the former British Columbia home mortgage assistance and second mortgage programs, and non–guaranteed debt of the Legal Services Society, Pacific National Exhibition, Okanagan Valley Tree Fruit Authority, and Tourism British Columbia.

[6]Although the debt of 552513 British Columbia Ltd. (Skeena Cellulose Inc.) is considered to be self–supported, future profitability is uncertain due to volatility of world pulp prices and their potential impact on Skeena Cellulose Inc. As the province is not the sole shareholder of Skeena Cellulose Inc., a portion of this debt may be attributable to the minority shareholder.

[7]Columbia Basin Power Company is a joint venture of Columbia Power Corporation and Columbia Basin Trust.

[8]Figures presented in the Budget '99 Reports document.

[9]Benchmark presented in the Budget '98 Reports document was retained by government for fiscal 1999/00.